

Assurance Summary

VERSION 1 24.11.2021



1 – SCHEME DETAILS

Project Name	CRSTS03-02 Elsecar Active Travel Hub	Type of funding	Grant
Grant Recipient	Barnsley Metropolitan Borough Council	Total Scheme Cost	£500,887.42
MCA Executive Board	TEB	MCA Funding	£500,887.42
Programme name	CRSTS	% MCA Allocation	100%
Current Gateway Stage	OBC	MCA Development costs	£50,400
		% of total MCA allocation	10%

2 – PROJECT DESCRIPTION

Is it clear what the MCA is being asked to fund?

The funding is requested to convert an existing building located at the Elsecar Heritage Centre into an Active Travel Hub. The building will be made DDA compliant and will provide safe and secure storage for cyclists using the rail station as well as providing provide bike hire facilities. This includes standard adult bikes, e-bikes and children's bikes as well as helmets. The building will complement the work the Council have completed as park of the Elsecar Active Travel route, as well as the proposed Elsecar Station Access Improvement, both of which are aimed at contributing to a mode shift away from the private car for commuting. The Elsecar Heritage Centre is also close to the Trans Pennine Trail route.

. STRATEGIC CASE

Options assessment

Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?

Yes. The rationale for the scheme is partly based on the success of the existing ATH located in Barnsley's town centre and the aim to replicate the model in other locations where active travel is established and is within proximity to existing and proposed cycle routes. Reference is also made to the Local Plan and the planned growth in Hoyland, a village which neighbours Elsecar, and the impact this will have on congestion levels. There is currently a reliance on private vehicle use in Elsecar to connect to Barnsley and the provision of this ATH (in addition to the Elsecar Active Travel Route and Station Improvements) will encourage modal shift away from private motor cars.

	Four options have been shortlisted for which there is a clear rationale. The applicant has set out a clear 'Do Nothing', and two alternative options (a 'do minimum' and a 'do all') alongside the Preferred Option, highlighting the effects of not proceeding or investing in a larger scale scheme. These options have been appropriately discounted. For example, the 'do minimum' (involving basic refurbishment of the existing building) has been discounted on the basis that it would limit the level of service the hub could provide and therefore also limit the benefits. The 'do all' option has been discounted on the basis that it would require major land acquisition and significant additional funding. This leaves only the 'do nothing' and preferred options available, and the 'do nothing' option has been discounted on the basis that it does not meet any growth targets for modal shift in Elsecar.	
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i> The OBC mentions planning consent in various areas but has not clarified whether this is a minor application in the form of a 'change of use' request. It is also not clear what stage this is currently at. Further information will be required at FBC.</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> There appears to be no adverse consequences related to the implementation of scheme. If the scheme does not go ahead, then the objectives of the wider programme of works are less likely to be met. There are various risks and mitigations highlighted which are discussed below.</p>	
<i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i>	<p>N/A – OBC stage.</p> <p>The promoter has used the incorrect template so has not been prompted to answer these questions. The updated template will need to be used at FBC stage to ensure the correct information is provided.</p>	
4. VALUE FOR MONEY		
Monetised Benefits:		
VFM Indicator	Value	R/A/G
<i>Net Present Social Value (£)</i>	-£535,330	
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	0.24	
<i>Cost per Job</i>	N/A	
Non-Monetised Benefits:		
<i>Non-Quantified Benefits</i>	Not calculated, although the OBC does include mention of improved access to the wider Barnsley borough, thereby improving access to jobs, markets and skills.	
Value for Money Statement		
<i>Taking consideration of the monetised and non-monetised benefits and costs, and the uncertainties, does the scheme represent value for money?</i>		

No, the scheme has poor value for money, due to the low volume of bike hire forecast in relation to the costs. (based on information provided in Appendix C the volume would need to increase from 17 hires/day to over 70 to lift the BCR to “low” value. As this apparently exceeds likely demand or available capacity, attention to scope and costs is required at FBC to keep the scheme within sight of a BCR of 1.

5. RISK

What are the most significant risks and is there evidence that these risks are being mitigated?

The top 5 risks highlighted and associated mitigants are:

Risk	Mitigation	Owner
Failure to maintain political support	Ensure robust support and communication plan	Project Board
AT hub cannot sustain itself commercially	Existing data on similar business models will be considered in design. Operating model reports and forecasts to be completed to inform the scheme.	Project Manager / Design Team
Delays during planning stage leading to increased preparation costs	Accurate programming of project	Project manager
Stage funding is insufficient	Pre scheme estimates and cash flow projections are robust	Project Board
Scheme delayed due to delay in award	Have clear programme and requirements	Senior Supplier

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

Clawback: if demand is not sufficient and the facility is required to close within 5 years the MCA contribution should be repaid.

Are there any significant risks associated with securing the full funding for the scheme?

No, other than the future operating model and the comment in s.6.6 suggesting the promoter will be required to fund operating costs (which at present have been estimated). More detailed information on this would be helpful at FBC.

Are there any key risks that need to be highlighted in relation to the procurement strategy?

The procurement strategy has been outlined with the intention being to use to council’s in-house contracting team to appoint an external contractor from BMBC’s framework to deliver the works. No procurement has taken place at this stage. No operating model has been outlined, although a feasibility study has been completed and market testing undertaken to understand the appetite from the private sector to manage the Barnsley ATH. This has not yet been completed for Elsecar specifically, although it is suggested a similar model as is decided for the Barnsley ATH will be adopted for Elsecar. It is also commented that a report considering the operating model will be completed for Elsecar.

Risks relating to the procurement strategy are potential cost changes once tenders have been received, as well as lack of clarity on the operating model. Further information on these two points will be necessary at FBC.

6. DELIVERY

Is the timetable for delivery reasonable?

Yes, the timescales appear reasonable given the scheme is a renovation of an existing building (currently used for storage), rather than the construction of a new space. Construction is scheduled to commence in Aug23 with completion forecast for May24. However, there is no milestone related to planning consent. This may be because it is a minor application for a change of use, although achieving planning consent has been raised as a risk in the Risk Register.

Clarification will be required at FBC.

Is the procurement strategy clear with defined milestones?

No - The procurement strategy has been outlined (as mentioned above) although has not yet been clearly defined. **This will need to be developed at FBC.**

What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promotor confirmed they will cover any cost overruns?

Cost certainty is listed as being at **60%** which is satisfactory at this stage. Although the risk allowance is 8% of the total scheme costs, this only equates to £41k in cash terms which is considered low. In addition, the contingencies budgeted for are noted as being below the construction price inflation figure. **For these reasons further cost certainty at FBC stage will be important, as well as further information on the procurement route.**

Possible mitigations in response to cost overruns are stated as possibly including a change to the scope of the project via the submission of a change request the SYMCA CRSTS or the utilisation existing ITB funding.

Although the ongoing operational are expected to be funded by the council's general maintenance budget, the expected cost of £65k is an estimate and no breakdown of this has been provided. **A breakdown of how this has been estimated will be required at FBC, as well as confirmation that this can be funded by the general maintenance budget.**

Has the promoter demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed of this business case?

Yes – the SRO has been identified as the Executive Director for Growth and Sustainability. The OBC has been signed by the Finance Director / S.151 officer. The project management and governance arrangements that have been set out are clear with defined roles and responsibilities.

Has public consultation taken place and if so, is there public support for the scheme?

No. Public consultation has been completed in relation to The Seam ATH in Barnsley in Jan22, which included broader questions relating to the existing ATH provision in Barnsley, local cycling and walking infrastructure, as well as possible features of a new ATH. 230 responses were received. However, no public consultation specific to the Elsecar ATH has been completed. Information about future engagement and public consultation is included in the OBC, and an online survey as well as a face-to-face consultation event are scheduled for 2023.

Are monitoring and evaluation procedures in place?

Yes, a Benefits Realisation Plan, Monitoring and Evaluation Plan, and Risk Management Strategy has been provided. There has also been £10,000 allocated towards monitoring and evaluation.

7. LEGAL

Has the scheme considered Subsidy Control compliance or does the promotor still need to seek legal advice?

Yes, this has been considered by the Council's legal team.

8. RECOMMENDATION AND CONDITIONS

Recommendation	Proceed to FBC
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	

It is recommended that the scheme proceeds to FBC. Further information required at FBC includes:

- Value Engineering to reduce capital costs and increase net benefits to provide a BCR closer to 1;
- A detailed breakdown of the ongoing operational costs (currently estimated at £65k per annum) and confirmation that this will be funded from the council's ongoing maintenance budget;
- A more developed procurement strategy and finalisation of the operating model;
- Clarification on the required planning consent and what stage this is at, as well as an estimated approval date;
- use of the latest FBC template.
- Confirmation that the hub will remain operational for a minimum period of 5 years once opened.