

Appendix 3 - Assurance Summary

VERSION 1 24.11.2021

1 – SCHEME DETAILS			
Project Name	CRSTS03-03 SEAM Active Travel Hub – Barnsley Town Centre	Type of funding	Grant
Grant Recipient	BMBC	Total Scheme Cost	£2,396,900.55
MCA Executive Board	TEB	MCA Funding	£2,396,900.55
Programme name	CRSTS	% MCA Allocation	100%
Current Gateway Stage	OBC	MCA Development costs	£240,000
		% of total MCA allocation	10%
2 – PROJECT DESCRIPTION			
<p><i>Is it clear what the MCA is being asked to fund?</i></p> <p>The funding is requested for:</p> <ul style="list-style-type: none"> £2,108,901 delivery of an Active Travel Hub £288,000 development costs <p>The new Active Travel Hub will replace the existing ATH which is close to capacity. It will be DDA compliant and will include bikes and e-bikes for hire, storage facilities, shower facilities, and bike repair services. The hub will be 50 metres from the transport interchange and aims to help facilitate a multi-modal commute.</p>			
3. STRATEGIC CASE			
<i>Options assessment</i>	<p><i>Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>The rationale for the scheme is that the existing hub is currently close to capacity and demand continues to grow, particularly when taking into account the ongoing development in the local area (the SEAM development and the £180m Glassworks investment programme). The existing ATH does not have the necessary space available to accommodate the increasing public use. The new ATH aims to encourage active travel within Barnsley and increase accessibility between housing and employment opportunities as well as a modal shift from private cars to active travel methods.</p>		

	Four options have been shortlisted for all of which there is a clear rationale. The applicant has set out a 'Do Nothing', and two alternative options (a 'Do Minimum' and a 'Do Something') alongside the Preferred Option, highlighting the effects of not proceeding or investing in a smaller scale scheme. These options have been appropriately discounted as they do not fully resolve the issue identified. The 'Do Minimum' involving refurbishing the existing ATH has been discounted due to size constraints. The 'Do Something' option has been discounted due to distance between the town centre and the alternative ATH location. This leaves only the 'Do Nothing' and Preferred option available, with the 'Do Nothing' option discounted on the basis that it does not meet any growth targets, but used as the baseline for the appraisal of the Preferred option.
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>No, although planning consent for the wider 'the SEAM' development will be required and as the ATH is part of the development it is contingent on those statutory requirements being satisfied. The planning application was submitted on 29/07/22.</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>None are highlighted by the promoter. However, 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>	£215,540	
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	1.13	
<i>Cost per Job</i>	N/A	N/A
Non-Monetised Benefits:		
<i>Non-Quantified Benefits</i>	Not calculated	
Value for Money Statement		

Taking consideration of the monetised and non-monetised benefits and costs, and the uncertainties, does the scheme represent value for money?

The scheme has low to poor value for money, depending on demand and cost. If demand uplift falls below 75% the scheme becomes marginal. However, there is already a significant bike hire demand at the interchange which this should build upon, based on recent growth in active travel at similar locations.

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
Compensation – Part One Claims relating to noise disturbance from construction works.	Works will be planned accordingly to minimise disruption.	Project Manager
Detailed design – Failure to secure necessary funding for Detailed Design	Comply with gateway requirements in good time. Mitigate external delays by having alternative short term funding provision to ensure continuity of work	Project Manager
Failure to maintain political support	Ensure robust support and communication plan.	Project Board
Viability of AT hub for commercial operators	Commission report analysing potential operational models	Project Manager
Stage funding is insufficient	Pre scheme estimates and cash flow projections are robust	Project Board

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 ongoing operating model and the comment in s.6.6 suggesting the promoter will be required to fund operating costs. 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 ATH. It is noted in appendix X that the likely operating model will involve leasing the building to a private sector operator with some level (likely a low amount) of commercial income to be made.

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 to be reasonable with a 19-month construction period from commencement in Aug23 – Mar25 scheme opening. **For FBC it would be useful to understand the timescales for the wider ‘the SEAM’ development and how the ATH links into this.**

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 **60%**. This is acceptable at this stage and is expected to become more certain as procurement progresses and tenders are received. A risk allowance of 5% of the total scheme costs has been included as well as contingencies across all elements, which are noted to be above the construction price inflation forecast by Treasury. This provides an element of comfort that costs should remain within the overall budget.

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 costs 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 in relation to the scale of the facility 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?

Yes, an online survey was undertaken in January 2022 which included questions relating to the existing ATH provision, local cycling and walking infrastructure, as well as possible features of a new ATH. 230 responses were received which answered questions such as ‘below is a list of proposed elements for the new ATH. Please select the top 5 most important elements in your view’ (to which ‘secure cycle parking’ was the most popular response’) and ‘what is the best thing about the current ATH?’ (to which ‘staff’ was the most popular response). Further public consultation is planned once the detailed design for the ATH has been realised, as well as once the procurement process has completed. The promoter states that engagement will be undertaken with ‘community groups, local councillors and residents’.

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 £20,000 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:

- A breakdown of the ongoing operational costs and revenues (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 further information on the operating model for the ATH.
- Update to the benefits listed in Appendix A to include walking journeys (walking journeys have been included in the AMAT but not appendix A).
- Clarification of the walking uplifts;
- Information on the timescales for the wider 'the SEAM' development, how this is progressing, and how the ATH links into the overall timescales.
- The FBC will also need to use the updated FBC template to ensure all relevant questions are answered (the outdated template has been used for the OBC).
- Updated capital costs including inflation (if tender prices not available) and an updated QRA consistent with this. In considering these, the promoter is advised to be aware of the need to ensure the BCR remains above 1, through appropriate VE and negotiations with suppliers.
- Confirmation that the hub will remain operational for a minimum period of 5 years once opened.