

Mayoral Combined Authority Board

12 March 2024

Tram Transfer Update

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:
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Report Author(s):
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Executive Summary

The Tram Concession with South Yorkshire Supertram Limited (SYSL) expires on the 21st March 2024. With effect from the 22nd March 2024 the Supertram system will be operated by South Yorkshire Future Trams Limited (SYFTL), a wholly owned subsidiary company of the MCA. Bringing the tram back into public control is a key part of a long-term plan for an integrated, safe, connected and affordable transport system in South Yorkshire.

The tram system is now around 30 years old, and it will take a long-term plan and investment to meet MCA integrated transport ambitions and the standards that customers should expect.

What does this mean for businesses, people and places in South Yorkshire?

The tram system in South Yorkshire supports economic growth and social inclusion as well as benefits to the environment. Ensuring that the tram system continues to run safely and reliably is important to residents and businesses in South Yorkshire.

Recommendations

That MCA Board;

1. Note that with effect from the 22nd March 2024 the Supertram system will be operated by SYFTL, a wholly owned subsidiary company of the MCA

Consideration by any other Board, Committee, Assurance or Advisory Panel

Mayoral Combined Authority Board

18 October 2022

Mayoral Combined Authority Board

09 January 2024

1. Background

- 1.1 At its meeting on the 18th October 2022, the MCA authorised the establishment of an arm's length wholly owned subsidiary company to operate the tram system. After twenty-seven years of operation by the private sector, the new company, registered as South Yorkshire Future Trams Limited (SYFTL), will operate the tram system with effect from 22nd March 2024.
- 1.2 The MCA has significant long-term investments and change planned for the passenger transport network in South Yorkshire. In addition to bringing Supertram back into public control, a comprehensive renewals programme for the tram network is planned and we are continuing the assessment of bus reform models. The MCA plans to make transformational changes to the transport system in the coming years, to improve passenger experience and increase patronage.

2. Key Issues

- 2.1 The focus of planning in the run up to the 22nd March transfer is to achieve a safe and seamless transition from the current tram operator; for both customers and Supertram employees. The work has continued to focus on the transfer and recruitment of staff, the development of customer facing systems such as new ticketing machines, back-office systems and new supplier contracts, the development of a new safety management system and agreement of an operating licence with the regulator (ORR).
- 2.2 The Business Plan for the first year of SYFTL operation was approved at the MCA Board on 9th January 2024. To facilitate a smooth handover and establish new governance arrangements, there will be further targeted activity during the first 100 days of SYFTL operation, including internal communications and stakeholder engagement, customer research and the deep clean of trams, tram stops and tram depot.
- 2.3 On the 14th November the MCA Board approved the submission of a Business Case to the Department for Transport (DfT) to support securing funding required for the full renewal of Supertram infrastructure and fleet. Bringing tram back into public control affords the MCA maximum flexibility in delivering these significant capital renewal works. Engineering works will be planned to minimise the impact on

customers.

- 2.4 In the longer term a renewed tram system will enable expansion of the tram and tram train network in South Yorkshire and further integration with the rest of the transport system including bus and active travel. We will continue to work with Government to develop 'Restore Your Railways' projects from Sheffield Victoria to Stocksbridge and to Chesterfield (via Waverley) including examining whether these could deliver a light rail service.
- 2.5 Over the next 12 months, the MCA will work with our Local Authority partners and wider stakeholders to develop a South Yorkshire Local Transport Plan (LTP). The tram system will play a key role in delivering a clean, green and fully integrated public transport network that enables the people of South Yorkshire to lead healthy lives, with good access to everyday services and opportunities. The LTP will set out in more detail how an integrated public transport system will be achieved in South Yorkshire through simplified ticketing, timetabling, customer information and encouraging more sustainable modes.
- 2.6 The Bus Service Improvement Plan (BSIP) identifies the complementary role that bus and tram play as part of an integrated public transport network. The Bus Franchising Assessment considers a range of possible operating models for bus services so that both bus and tram can play a full role in enabling prosperity, opportunity and environmental improvements in South Yorkshire.

3. Options Considered and Recommended Proposal

3.1 Option 1

No options are presented in this report.

3.2 Option 1 Risks and Mitigations:

N/A

4. Consultation on Proposal

- 4.1 Constituent members of the Mayoral Combined Authority approved establishing SYFTL on 18th October 2022.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The tram will transfer to SYFTL on 22nd March 2024. A programme of action for the first 100 days has been developed.

6. Financial and Procurement Implications and Advice

- 6.1 The MCA Board report on the SYFTL Business Plan from 09 January 2024 sets out the 2024/25 operating budget for SYFTL and the revenue support requirements alongside the projected requirements for the years 2025/26 to 2029/30. The budget requirements will be monitored continuously by the SYFTL Board and reset on an annual basis through the Business Plan review process overseen by the SYFTL Board for approval in line with the MCA's annual budget approval cycle.

7. Legal Implications and Advice

- 7.1 Under the South Yorkshire Light Rail Transit Acts SYMCA have the vires to operate the tram system via a wholly owned subsidiary of SYMCA. Future governance arrangements were set out in the SYFTL first year Business Plan and approved at the 9th January MCA.

8. Human Resources Implications and Advice

- 8.1 On the date of transfer of operations, the Transfer of Undertakings Protection of Employees Regulations will apply with the effect that employees of SYSL can opt to transfer into the new operating entity on their existing terms and conditions.

9. Equality and Diversity Implications and Advice

- 9.1 The tram currently provides transport connectivity to some of the most deprived people in South Yorkshire and is a vital transport connection for people who may not have other options.

10. Climate Change Implications and Advice

- 10.1 The tram system helps to deliver reduced carbon emissions by supporting cleaner and greener travel in South Yorkshire.

11. Information and Communication Technology Implications and Advice

- 11.1 New systems and process which have been delivered for the new business will continue to have oversight from SYMCA IT team

12. Communications and Marketing Implications and Advice

- 12.1 A communications plan has been developed for the tram transfer to raise public awareness of it.

List of Appendices Included

Nil