

## Assurance Panel VfM Statement

### Scheme Details

<b>Project Name</b>	TCF - Rotherham – Parkgate Package		
<b>Grant Recipient</b>	South Yorkshire Passenger Transport Executive		
<b>MCA Executive Board</b>	Transport	<b>MCA Funding</b>	£11,552,500
<b>% MCA Allocation</b>	90%	<b>Total Scheme Cost</b>	£12,857,286

### Appraisal Summary

#### Project Description

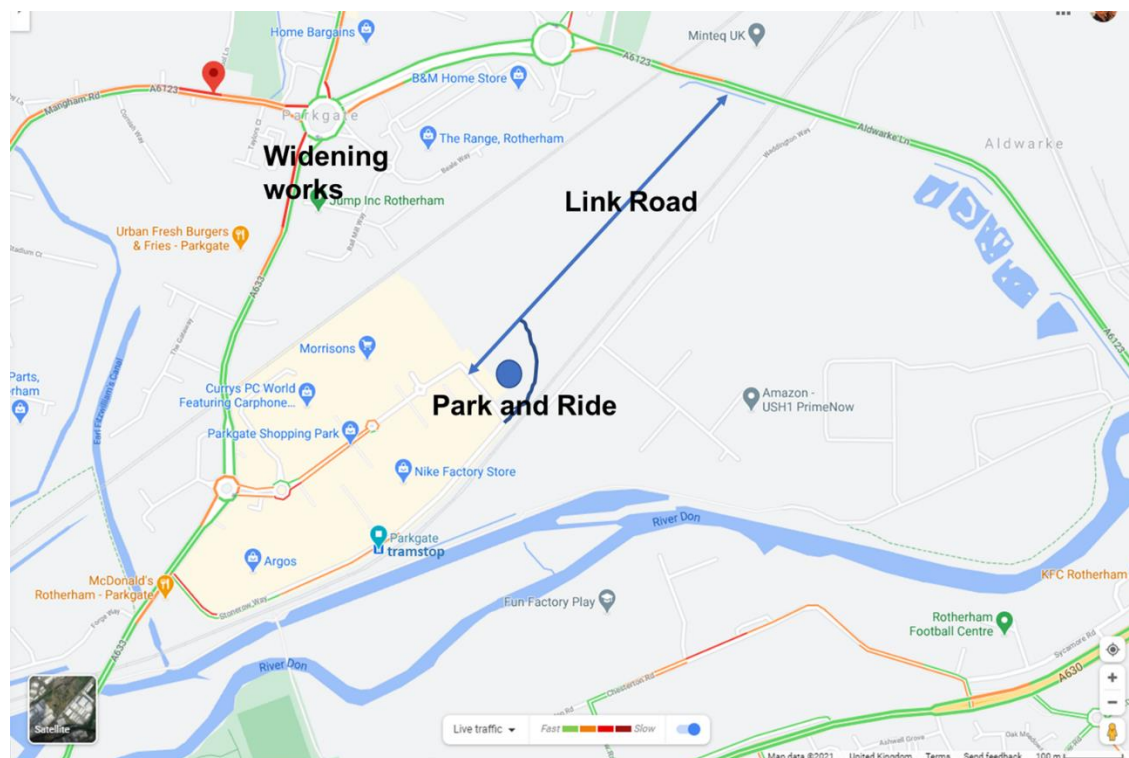
The proposal comprises three interventions

1. Parkgate Shopping Link Road – a new 800m link road across a former steelworks and railway siding site from the A6123 Aldwarke Lane into the rear of the Parkgate Shopping complex;
2. A 300 space Park and Ride site at the tram-train stop, and
3. Widening to the southern entry and exit arms of the Taylors Lane roundabout on the A633 with provision of a strip to link to adjoining footways to allow for possible later conversion to cycleway.

The proposals aim to reduce congestion on the A633 by diverting traffic destined for the retail park from the east side away from the congested roundabouts, shortening journeys and freeing road space for traffic passing by. It will also provide a dedicated Park and Ride site for the tram-train stop at the retail park, expected to draw commuters from car.

The locations of these are shown in Figure 1 below. (Note that traffic speeds shown are as recorded by Google at about 08:30 12/02/21)

*Figure 1: Location of scheme*



#### Strategic Case

The scheme has a strategic rationale that aligns with SCR's objectives. It will support the SEP in enabling inclusive economic growth by modestly reducing congestion on the A633 (one of SCR's major roads) and increasing the opportunity to travel by public transport (tram-train, using the proposed P&R site). **It complements expenditure at**

**adjacent sites by RMBC by “making provision for” a walking/cycle lane.** Table 2 claims the proposal “enables access to opportunities through choosing greener and healthier forms of transport by investment in high quality public transport, cycling and walking infrastructure”. This could be seen as “over-egging” the case since the costs and benefits of the relevant infrastructure is excluded from the appraisal. A more modest claim for complementarity with neighbouring walking and cycling infrastructure would be more acceptable here particularly as such information was requested by DfT. Further information on the details of potential elements enabled by the scheme, would be helpful.

The Business Case refers to “longer term” SMART outcome-oriented objectives for 2024, **but doesn’t link these to the overarching aims**, nor include any longer-term SMART objectives.

**The process of reaching a preferred scheme option from an initial long list of possible measures appears appropriate.**

The Business Case states that if the scheme does not go ahead, congestion-related delays on the A633 will worsen with population growth in the area. There is claimed to be suppressed demand for tram which will capture trips currently made by car and other modes. **The promoter states that the modelled (via microsim) benefits of up to 6 minutes for buses and 20 mins for cars are unrealistically high (likely to be a result of a fixed matrix assumption).**

The land take for the link road is a brownfield site, so the environmental impacts could be positive rather than negative.

In terms of strategic objectives, modelling results (described below) suggest that the scheme will make a small contribution to improving bus journey time reliability during peak periods and to reducing journey times and delays along the A633 corridor. This will also make a small contribution to encouraging the continued economic growth in Rotherham and the Dearne Valley, including improved transport links between the two.

The P&R demand modelling forecasts around 280 daily users of the new site, which shows that it should meet the fifth overarching objective – ‘to improve access to tram-train services between Parkgate, Rotherham and Sheffield through the Park & Ride site’.

## Value for Money

**Alternative options** to the preferred option have been sifted out of consideration through a structured process considering the pros and cons of all options, practical and cost concerns, and including some preliminary modelling. **This appears to be a reasonable and proportionate approach.**

The benefits for this economic case have been estimated using model outputs from the SCRTM1 modelling suite. **The assessment and screening of impacts for the scheme appraisal have been undertaken in accordance with the relevant TAG units.** Journey time and user operating cost benefits have been assessed using TUBA. The usage and range of potential monetised benefits from the park and ride scheme have been estimated using a bespoke park and ride forecasting module as well as CUBE. Changes to bus journey times have been extracted from the SCRTM1 model and presented to understand the impact of the schemes on bus services. Operating costs for each element have been specified and included in the appraisal.

This appears to be a reasonable and appropriate approach, given the scale of the scheme and gives a realistic view of traffic conditions once trips accessing the Parkgate Shopping Park from the east re-route to the new link road. **There are some weaknesses with using SCRTM1 in this instance**, which result in an under-estimation of time savings. Some of these, relating to accurate calibration of delays, will be addressed in later versions of the model.

**The modelling forecasts significant time savings for car users visiting the Parkgate Shopping Park** from the east and northeast, who will use the new link road rather than looping round the north and west sides of the Park to enter via the western access road. This will result in small reductions in traffic and travel times on the A633 on an average weekday. The bus journey time savings as modelled on an average weekday on the A633 are consequently also very modest (a maximum of 5 seconds according to the SCRTM1 modelling results).

**In general, the modelling appears to follow TAG** – the main shortfall being that modelled journey times on the northbound A633 in the PM peak period could not accurately represent all of the current delay observed on this route. As a result, the SCRTM1 modelling may underestimate future A633 journey time savings of the scheme in the PM peak and on Saturdays, so the reported benefits can be viewed as a conservative estimate.

**The monetisation of P&R demand forecasts (which seem reasonable) into benefit value is not well-explained.** Given that these make up half of overall benefits it is important that this is clarified in the FBC.

Works cost plans for the new link road and Taylors Lane roundabout improvements have been provided which build up detailed cost estimates from unit costs. The P&R site cost plan is high level only at this stage and is based on historical costs for all other SYPTe delivered park and ride sites. Although the accuracy is not stated, these appear appropriate for OBC stage.

For the FBC the base costs of each element should be presented clearly rather than aggregated.

**A 15% optimism bias factor** has been applied to capital costs in the economic appraisal. This is expected to reduce to 3-4% at FBC, with potential impact on the risk allowance as cost estimation improves.

**A BCR of 2.38** has been calculated. High and Low (including COVID) tests do not significantly change this. It is recommended that further updating and sensitivity testing is undertaken at FBC stage (for details see Conditions of Award, below). It is accepted that whilst Saturdays have been excluded from the appraisal due to only weekday flows being modelled in SCRTM1, the observed traffic levels there (from 1000-1700) suggest that inclusion would not change the BCR from its value in the range 2-3 (High value for money) and the extensive work needed to show this this would not be justified.

Environmental, social and distributional impacts of the scheme are likely to be low, with some small positive impacts and some small negative impacts.

## Risk

### Financial

**A risk allowance** of £2m has been included within the project plan which is considered to be adequate and spread between the three key interventions. It is understood that consideration will be given to moving risk allocations between interventions subject to over/under spend. The promoter states that cost increases in excess of the calculated risk allowance will be covered by SYPTE.

**Link Road and Roundabout works** - A full cost analysis has been undertaken on the Link road (two independent consultants) and the Taylors Lane roundabout (one independent cost consultant) **based on detailed designs** and including diversion costs from C3 estimates. A more than conservative risk allowance has been included within these cost estimates. The Link Road detail design is substantially completed and will be submitted to Planning prior to commencing the tender process, which will take 3-4 months from OBC approval.

**The P&R** - The cost plan is high level only at this stage (30% certainty) and is based on the upper-end of historical delivery costs per space for other SYPTE P&R sites. Although the accuracy is not stated, these appear appropriate for OBC stage. The car park will be procured under the same contract as the Link Road. ITQs have been issued for quotations for detailed design. The P&R cost estimate should be refined through a detailed costing exercise prior to tendering

**Appointment of contractors for the main three interventions is still to be undertaken**, and procurement based on advice from the appointed engineers/QS but is most likely to be NEC Design and Build.

The promoter states that if greater than anticipated cost increases occur, **additional funding could be covered by SYPTE ITB funds or reduction in scope**, e.g. Taylors Lane – works take place on only the east / southbound side and the land acquisition and footway widening on the west / northbound side do not take place, or for the P&R - a reduction in the specification.

**Scheme finances appear to have been assessed appropriately.** Appropriate allowance has been made for risk and inflation. The cost estimate for the P&R site is less certain than the estimates for the other elements, which have detailed cost plans.

Post-delivery revenue costs associated with the P&R will be covered by SYPTE, while RMBC will cover highway maintenance costs.

### Commercial

The promoter has confirmed that SYPTE is to prepare a legal agreement (easement) with the Bank of Montreal (Parkgate Shopping Park owner) to allow connection into the Shopping Park. All legal agreements will need to be in place prior to FBC submission.

**The Financial and Commercial cases are appropriately developed for OBC stage and demonstrate that the issues and processes of financing, procurement and project management have been well thought through.**

**The levels of risk appear acceptable and capable of being managed.**

## Delivery

It is noted that the intention is to let a single Design and Build contract for the Link road and P&R site elements, and to separately appoint Rotherham MBC Engineering Services to undertake the Taylors Lane Roundabout works in parallel to RMBC-promoted resurfacing works at the roundabout starting in the autumn of 2021.

As shown in the work programme, this will require submission of a separate standalone FBC for the Taylors Lane Roundabout works in June 2021, in advance of an FBC submission for the Link road and P&R site in October 2021. As well as modelling and appraisal of the Taylors Lane Roundabout works as a standalone scheme, this will also require land acquisition issues surrounding the scheme that are highlighted in the Risk Log to be resolved very quickly, which may not be realistic. It is recommended that the promoter gives early further consideration to whether the proposed approach to implement the Taylors Lane roundabout works significantly in advance of the other elements is achievable.

A number of risks have been identified in the Risk Log, and mitigation/management responsibilities proposed. **The levels of risk appear acceptable and capable of being managed.**

**The project management and delivery plan is clear and appropriate** to the nature of the scheme, with an appropriate governance structure. Scheme milestones are sufficiently mapped out for OBC stage

### Legal

Although the promoter states that **State Aid is not applicable, the reasoning to support this is rather brief**. It is recommended that the promoter provides further justification of this at FBC stage - particularly with respect to the issue of the P&R site facilitating increased use of the tram-train (operated by one operator) and reduced use of existing bus services run by other operators (as indicated by the P&R modelling).

## Recommendation and Conditions

<b>Recommendation</b>	Proceed to FBC
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<b>Payment Basis</b>	
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### Conditions of Award (including clawback clauses)

**The FBC should :**

- Change references to encouraging cycling and walking in 3.2 table 2 to emphasise complementarity with or extension of (as appropriate) adjoining new infrastructure;
- Include a coherent set of overall aims and linked SMART objectives (beyond 2024);
- Consider whether the proposed approach to implement the Taylors Lane roundabout works in advance of the other elements is achievable;
- Update the BCR and sensitivity tests with any cost changes between OBC and FBC and test the inclusion of the proposed 150 P&R spaces planned at Magna (in the Do Something);
- Provide more detailed reasoning as to why State Aid is not applicable (for the P+R element) and
- Detail a scheme-specific Monitoring and Evaluation plan.

Prior to FBC submission -

- The promoter has confirmed that SYPTÉ is to prepare a legal agreement (easement) with the Bank of Montreal (Parkgate Shopping Park owner) to allow connection into the Shopping Park. All legal agreements will need to be in place prior to FBC submission.

**Record of Recommendation, Endorsement and Approval**

**Project Name**

<b>Appraisal Panel Recommendation</b>		<b>Board Endorsement</b>		<b>MCA Approval</b>	
<b>Date of Meeting</b>	19/2/21	<b>Date of Meeting</b>		<b>Date of Meeting</b>	
<b>Head of Paid Service or Delegate</b>	Ruth Adams Deputy CEX	<b>Endorsing Officer (Board Chair)</b>		<b>Approving Officer (Chair)</b>	
<b>Signature</b>		<b>Signature</b>		<b>Signature</b>	
<b>Date</b>		<b>Date</b>		<b>Date</b>	
<b>S73 Officer or Delegate</b>	Gareth Sutton Finance Director	<b>Statutory Finance Officer Approval</b>  <b>Name:</b>  <b>Signature:</b>  <b>Date:</b>			
<b>Signature</b>					
<b>Date</b>					
<b>Monitoring Officer or Delegate</b>	Steve Davenport SCR CA Solicitor				
<b>Signature</b>					
<b>Date</b>					