

## Assurance Panel VfM Statement

### Scheme Details

<b>Project Name</b>	TCF - Rail Station Improvements		
<b>Grant Recipient</b>	South Yorkshire Passenger Transport Executive		
<b>MCA Executive Board</b>	Transport	<b>MCA Funding</b>	£3,451,959
<b>% MCA Allocation</b>	99.7%	<b>Total Scheme Cost</b>	£3,461,667

### Appraisal Summary

#### Project Description

The OBC states that there is ongoing customer dissatisfaction with the standard and scope of waiting facilities provided at local rail stations in South Yorkshire. An example of current facilities at one of these has been supplied by the promoter and is shown in Figure 1.

*Figure 1: Issues at Goldthorpe rail station*



*Inadequate seating*



*Ramp surfacing deteriorating*



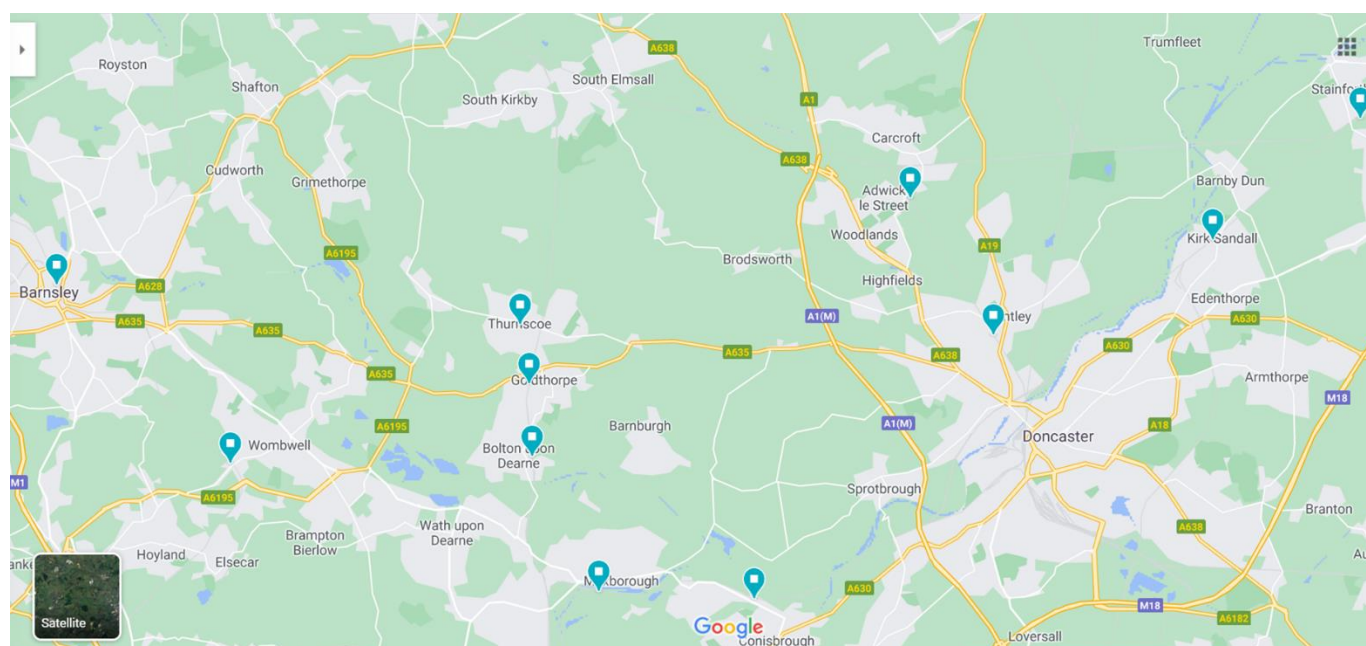
*Car parking not signed*



*Limited coverage of CCTV*

Eleven stations are considered to be in the greatest need of improvement, with catchment area populations having below average car ownership, bus service frequency and job security. Their location is shown in Figure 2. Following a detailed audit and Gap Analysis by SYPTE and Northern, informed by surveys and discussions with local authorities, a package of improvements is proposed to raise the standard of facilities provided.

*Figure 2: Location of rail stations where improvements proposed*



The package covers:

- Lighting;
- Station signage;
- Highway directional signage;
- Platform seating;
- CCTV;
- Electronic passenger information displays;
- Walkway enhancements (access to/between platforms);
- New waiting shelters;
- Refreshed ticket office;
- Refurbished waiting room facilities;
- Cycle storage and
- Car park improvements.

It is understood that all stations are fitted with legally required platform edge tactile paving, anti-slip surfacing on ramps, passenger shelters and handrails. This proposal therefore does not reduce Northern's responsibility for these or for general maintenance.

## Strategic Case

The scheme clearly supports the overarching core **TCF objectives** - in particular, improving public transport and sustainable transport connectivity in the city region. It also aligns with the MCA SEP ambitions concerning green connectivity and growth. The proposed scheme has a clear strategic rationale. The outline business case (OBC) demonstrates strong linkage to transport strategy goals, mayoral commitments and policies,

The scheme aligns with **national policy** to encourage use of lower carbon transport modes (public transport) and zero carbon modes.

The scheme aligns with **Transport for the North's Long-Term Rail Strategy (LTRS)** and the **Sheffield City Region Integrated Rail Plan**, a principal component of which is 'a rolling programme of improvements at our network of local stations'

The proposals also appear to align well with the strategies, visions and plans for the local authorities involved (**Barnsley, Doncaster and Rotherham**).

It is recommended that the individual strategic objectives are refined further in the Full Business Case submission – to make each one as specific as possible, link it with how it will be measured, and make it timebound. This will demonstrate the outcomes in non-monetary terms and to monitor their achievement.

All realistic alternatives for achieving objectives have been considered, and not maintaining standards for customers will, over time turn more of them away from sustainable (and active) modes. The precise scope of work at each station will be refined between OBC and FBC to remain within the budget whilst maximising value for money.

There are no obvious adverse consequences of implementing the scheme.

## Value for Money

A logical and proportionate approach was taken to define and model the preferred option using recommended tools, based on established evidence within the Passenger Demand Forecasting Handbook (PDFH) and Transport Appraisal Guidance (TAG) which are used widely in the rail industry. Uplift in demand as a result of the station improvements has been based on factors contained in the PDFH for different types of improvement, but with only a proportion of the uplift factors applied, to reflect the local circumstances.

Benefits to passengers are expected to arise from increased "willingness to pay" resulting from the defined improvements. This is based on Stated Preference surveys conducted by Transport for London, with adjustments made to reflect local conditions.

### Monetised benefits

A small level of benefits to road users is calculated from TAG factors for average decongestion cost savings assuming some of the additional trips (calculated using PDFH elasticities) are attracted from car. This also leads to small improvements in air quality, CO2 emissions and noise as reported in the AST. Accident savings from improved stair design have been calculated from local data. Additional rail patronage increases revenue for the operator – which is treated as a benefit for the taxpayer. Shift from car reduces fuel duty revenue, which is counted as a disbenefit. Wider impacts of the scheme have not been computed.

## Non-Monetised impacts

Other Social impacts (reliability of train services for non-business users, physical activity, security, access to services, affordability, severance and option values are not expected to be significantly impacted and are scored as “neutral-slight beneficial”.

A Distributional Impact assessment has not been carried out – it is recommended that this be carried out for the FBC.

## BCR

A profile of costs and monetised benefits has been calculated over 60 years indicating a BCR of 2.11 (1.77 with low growth if COVID effects continue). (Optimism bias factor of 18% included.) Over a 30-year period the BCR is still above 1 at 1.37 (central growth) and 1.15 (low growth) but with the renewals and maintenance as included in the full appraisal, the scheme is likely to continue to give benefits beyond then, depending on the level of rail services.

A number of sensitivity tests were carried out, none (on their own) giving a BCR lower than 1.

## Risk

### Capital costs

Cost estimates are stated to be at 30% (i.e. based on similar schemes) but in fact this (+/-30%) is the range of the promoter's expectation around mean cost estimates based on current unit prices for the equipment proposed. Other items have also been subject to a risk analysis and the total mean additional cost of known risks, based on the promoter's experience of similar schemes has been added to the base expectation of costs in the bid. Equipment requirements, scope and constraints have been investigated, if not finalised, hence the “degree of certainty” required by para 6.2 of the OBC is closer to 60% than 30% at this stage

To account for cost increases beyond the range of expectation, an Optimism factor of 18% has been used, in line with DfT guidance. Whilst this is expected to fall to low levels (3-4%) at FBC, as with all schemes there is a possibility for unforeseen events thereafter to adversely influence prices and costs. Whilst this monetary risk will be shifted as far as possible to contractors before then, the promoter's statement that the total cost will remain within the MCA funding allocation by means of value engineering or, as a last resort, de-scoping elements of the proposal suggests that a degree of residual risk will remain, either in terms of cost or delivery. It is recommended therefore that a clear statement that the promoter will underwrite risks to costs beyond FBC be included in the FBC to avoid overrun on MCA resource.

With the proposed mitigation/management actions, some of the key risks identified should be resolved before FBC submission.

### Commercial

1. Northern Rail will act as SYPTTE's delivery agent. This arrangement will be formalised with the signing of a Funding Agreement between SYPTTE and Northern ahead of procurement. It is understood that this has been almost completed.
2. SYPTTE/Northern will be looking to enter into contract with contractors/suppliers late September/early October 2021. It is noted that the renewal of Northern Framework contracts is 'pending', and that any delay to this could lead to delays in procurement of the required services for this scheme. It is recommended that the scheme promoter liaises closely with Northern to minimise the possibility of such delays.

Northern will undertake a fully competitive tender process in line with Northern Procurement process for Professional services, Lead Designer and Construction Contractor in line with the agreed draft Funding Agreement with SYPTTE.

The main activities and milestones in the procurement process are included in the project programme submitted as Appendix E, which shows completion of the scheme at the end of May 2022. There are a number of question marks shown against durations in this programme, and these should be confirmed as early as possible after OBC approval. It is also noted that some design development activities are scheduled to take place prior to MCA approval of the OBC; these will presumably be done 'at risk' by the scheme promoter.

**The level of risk appears acceptable and capable of being managed.**

## Delivery

The project management and delivery plan is clear and appropriate to the nature of the scheme. The governance structure appears sound, although it will need to be updated at FBC stage due to the demise of the TCF Programme Board.

The main scheme milestones are sufficiently well mapped out for OBC stage and appear achievable and realistic. Further detail will need to be added to the programme on the implementation phase at FBC stage.

Monitoring and evaluation procedures are not yet defined, as they need to fit within the overall MCA TCF monitoring and evaluation plan. A monitoring and evaluation plan will need to be completed before FBC submission. The draft outcome evaluation metrics document provided as Appendix J looks to be a good starting point for such a plan.

### Legal

Advice has been provided by the Principal Solicitor and Secretary to SYPTE that State Aid is not applicable to the proposed scheme.

## Recommendation and Conditions

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

***The Full Business case should include:***

- Re-consideration of the social impacts “security” and “access to services” which are currently rated “neutral-slight beneficial” in the Appraisal Summary Table;
- Quantified, clear strategic objectives relevant to the proposals;
- A Distributional Impact assessment;
- A clear statement that any cost over-run will be fully met by the promoter;
- Evidence of close liaison with Northern to minimise the possibility of delay;
- Confirmation of timescales;
- An updated governance structure;
- More detail on the implementation phase and
- A completed Monitoring and Evaluation plan.

**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>Signature</b>					
<b>Date</b>					
<b>Monitoring Officer or Delegate</b>	Steve Davenport MCA Solicitor				
<b>Signature</b>					
<b>Date</b>					

**Name:**

**Signature:**

**Date:**