

Assurance Summary



Scheme Details

Project Name	T0015 City Centre	Type of funding	Grant
Grant Recipient	SCC	Total Scheme Cost	£14,284,023
MCA Executive Board	TEB	MCA Funding	£14,284,023
Programme name	TCF	% MCA Allocation	100%

Appraisal Summary

Project Description	
<i>Is it clear what the MCA is being asked to fund?</i>	
Strategic Case	
Scheme Rationale	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i></p> <p>The scheme appears to fit well with the SEP, the Transport Strategy, the Active Travel Implementation Plan and national policies to encourage urban living and active travel.</p>
Strategic policy fit	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i></p> <p>The scheme is in line with a wide range of objectives – economic growth, encouraging city centre living, reducing transport emissions, encouraging active travel. However, it is not clear how the scheme relates to the complementary infrastructure investments – housing, regeneration etc – which are planned separately and stated to be not dependent. The outcome with the developments and without the scheme has not been thoroughly tested.</p>
Contribution to Carbon Net Zero	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i></p> <p>The scheme helps in achieving Clean Air Zone aims, with small positive benefits (£2m over 30 years) in terms of carbon reduction and air quality by re-routing traffic away from Pinstone St.</p>
SMART scheme objectives	<p><i>State the SMART scheme objective as presented in the business case.</i> <i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i></p> <p>The Applicant has set out three broad SMART objectives:</p> <ol style="list-style-type: none"> 1. Operational – reduction in Public Transport (PT) travel times and unreliability – especially for cross-city buses 2. Public Realm – eliminate severance and poor access/safety caused by traffic on Pinstone St in context of HOTC2 3. Encourage interchange between PT and Active Travel (AT) modes <p>More specific sub-objectives are outlined under these.</p>

	<p>Impacts are quantifiable and qualitative and will be monitored. It is likely that 2. will be the most significant of these – given the modelling results</p> <p>Outputs are:</p> <ul style="list-style-type: none"> • 5 improved bus stops • 9 new bus stops • 500m new bus lanes • 4 bus gates • 1km new fully accessible cycle route • 4 new pedestrian crossing facilities • 4 improved pedestrian crossing facilities • 13km² public realm improvements <p>Outcomes (measurable)</p> <ol style="list-style-type: none"> 1. More walking and cycling (and associated health benefits) 2. More bus users and fewer cars (dependent on population change) <p>For the FBC there needs to be a distributional impact assessment to explain the balance of winners and losers from the scheme.</p>
<i>Options assessment</i>	<p><i>Is there a genuine Options assessment and is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>The applicant has used Early Assessment and Sifting Tool (EAST) to identify the best combination of routes, measures and facilities to maximise net benefits to transport users and providers. The number of re-routing options in the long list is small (3) given the aim to balance the needs of bus and active travel users and these are all taken forward to the shortlist with 2 of them filtered out of modelling and appraisal – with one (use of Fitzwilliam St) further disbenefitting existing without generating new, bus users and the other (Pinstone St remaining open) not benefiting active travellers.</p>
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>Yes – TROs – will be progressed Nov 2021 Cabinet approval required before contracts can be let Public consultation programme is comprehensive</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>There are several adverse impacts that are being managed and avoided or mitigated via public consultation including reduced access during construction and negative impacts on local business. Impacts that can't be mitigated by this project alone are: abstraction of AT from PT and reduced usage of buses due to longer journey times for re-routed services (worsening the viability of PT).</p>
Value for Money	

Core monetised Benefits	£57.61m PVB		Non-monetised and wider economic benefits	<i>[Values/description – supplementary form]</i> Slight positive – regeneration.
	Of which:			
		£m	%	
	Highway	(2.29)	(4)	
	PT	4.27	7	
	AT	49.72	86	
	Urban realm	5.20	9	
	B-G infra	4.90	9	
	Indirect tax change	(4.23)	(7)	

In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?

The core BCR (5.23) has been tested for a range of uncertainties, but it appears that it has been based on the assumption that the planned residential and business developments would not generate any walking and cycling without the scheme. This is unlikely given the restricted capacity for car as a mode of travel in the city centre. Work is in progress to confirm the appropriate uplift due to the scheme alone, which will may have a significant (downward) impact on the BCR

Value for Money Statement

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

This will be confirmed following resolution of the issue above but based on the available information at this time, the project is estimated to generate good value for money for society. This is based on the current BCR estimate and other non-monetised benefits presented.

Risk

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

The key risks from a delivery perspective pertain to delays due to need for traffic management during construction and interfacing with other schemes.

The Applicant has put forward suitable mitigating responses to these.

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

No

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

No – 100% TCF funded

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

Competition for resources across the TCF programme could add delay and cost.

Delivery

Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?

Yes, via early and ongoing engagement with major contractors

Is the procurement strategy clear with defined milestones?

Yes

What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promoter confirmed they will cover any cost overruns without reducing the benefits of the scheme?

60%. This is as expected for an OBC. Financial case says if unforeseen risk occurs, the applicant will ask for use of any headroom in the TCF programme.

Has the promoter demonstrated clear project governance and identified the SRO?

Yes.

Has the SRO or other appropriate Officer signed of this business case?

No

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

Yes. A wide range of stakeholders is in scope and have already been consulted

Are monitoring and evaluation procedures in place?

Yes, a clear and comprehensive approach has been outlined.

Legal

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

Legal opinion to be included within the OBC document as requested.

Recommendation and Conditions

Recommendation	Proceed to FBC but on condition that the issues below are resolved to the satisfaction of the MCA, prior to FBC submission. Failure to do so will result in FBC not being considered further or a delay in the assurance process.
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	

The scheme appears feasible and to provide very high value for money, but there are some significant uncertainties and issues which need to be resolved:

1. Prior to submission FBC:

- i. Updated PVB and BCR after accounting for revised DM AT demand uplift
- ii. Updated sensitivity tests and switching values.

2. Within the FBC, Applicant to include:

- iii. distinction between short and long-term objectives. For example, the footfall increase is an outcome which will likely arise and build over time and beyond the initial project timescales. It would also be helpful to see how the scheme will measure and monitor benefits such as modal shift, carbon saving etc. (as per SCR spreadsheet appendices);
- iv. detail on the scale of revenue growth is needed, as would clarity on the scale of user dis-benefits and why these arise given the objectives of the scheme includes enhancing the PT/bus offer;
- v. a full Distributional Impact Assessment;
- vi. updates to the commercial case section required for consistency with the management case milestones;
- vii. latest QRA;
- viii. the scale of the commuted sum and what this will support/timelines for maintenance;
- ix. key assumptions and other activities which underpin the scheme's current milestones;
- x. formal Legal response to state aid in FBC and
- xi. further information on the proposed M&E plan.