



Assurance Panel Summary

Scheme Details

Project Name	Tram Train Magna	Type of funding	Grant
Grant Recipient	SYLTE	Total Scheme Cost	£6,650,355
MCA Executive Board	TEB	MCA Funding	£6,537,935
Programme name	TCF	% MCA Allocation	98%

Appraisal Summary

Project Description	
<p><i>Is it clear what the MCA is being asked to fund?</i></p> <p>Yes - SCR funds will pay for the design and implementation of the Tram Train stop and Park and Ride and include the following:</p> <ul style="list-style-type: none"> - 2 new staggered platforms - Footbridge with lifts and stairs - Passenger Information - Passenger Shelter - Platform Lighting - Security/CCTV - P&R car park - Vehicular control/security at access to main Science & Adventure car park - Safe and secure active travel/pedestrian link to/from the new tram train stop - Car park lighting 	
Strategic Case	
<i>Scheme Rationale</i>	<p><i>Does the scheme have a clear rationale and provide a justification for public funding?</i></p> <p>Yes – scheme rationale and basis for a new tram stop is clearly articulated and generally well-evidenced in relation to the SEP and TCF.</p>
<i>Strategic policy fit</i>	<p><i>Does the scheme align with the strategic objectives of the SEP and RAP?</i></p> <p>Yes – the scheme proposal clearly aligns with the local transport strategy goals and MCA mayoral commitments, as well as NPPF, Climate Change Act, Clean Growth Strategy and Clean Air Strategy (amongst others).</p>
<i>Contribution to Carbon Net Zero</i>	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i></p> <p>Yes – the scheme aims to reduce congestion and emissions via mode shift to active modes (as access/depart modes) and public transport.</p>
<i>SMART scheme objectives</i>	<p><i>State the SMART scheme objective as presented in the business case.</i></p>

	<p>A realistic alternative to the car for journeys between Rotherham and Sheffield, improve connectivity for the Magna Science & Adventure Park and wider Templeborough area and increase Tram Train patronage thereby contributing to the longer-term viability of the Supertram service. Appendix C shows how these will be measured</p> <p><i>Is there a 'golden thread' between the strategic objectives (see 3.2) and the scheme objectives (see 3.6)?</i></p> <p>Yes – the applicant states that the scheme addresses all three objectives in the following manner:</p> <table border="1" data-bbox="483 344 1998 703"> <thead> <tr> <th data-bbox="483 344 999 376">Strategic Objectives</th> <th colspan="2" data-bbox="999 344 1998 376">...to be achieved by:</th> </tr> </thead> <tbody> <tr> <td data-bbox="483 376 999 456">1. Residents and businesses connected to economic opportunity</td> <td colspan="2" data-bbox="999 376 1998 456"> <ul style="list-style-type: none"> Investment in high quality PT, unlocking sustainable economic growth </td> </tr> <tr> <td data-bbox="483 456 999 584">2. A cleaner and greener Sheffield City Region</td> <td colspan="2" data-bbox="999 456 1998 584"> <ul style="list-style-type: none"> encouraging people to adopt sustainable travel modes over private cars to reduce congestion facilitating the transition to a low carbon transport network, to be in keeping with the surrounding area of public open space. </td> </tr> <tr> <td data-bbox="483 584 999 703">3. Safe, reliable and accessible transport network</td> <td colspan="2" data-bbox="999 584 1998 703"> <ul style="list-style-type: none"> Appropriate design, including lighting, to imbue sense of safety Encourage greener forms of travel Removes barriers to active travel Ensures inclusive access to employment </td> </tr> </tbody> </table>			Strategic Objectives	...to be achieved by:		1. Residents and businesses connected to economic opportunity	<ul style="list-style-type: none"> Investment in high quality PT, unlocking sustainable economic growth 		2. A cleaner and greener Sheffield City Region	<ul style="list-style-type: none"> encouraging people to adopt sustainable travel modes over private cars to reduce congestion facilitating the transition to a low carbon transport network, to be in keeping with the surrounding area of public open space. 		3. Safe, reliable and accessible transport network	<ul style="list-style-type: none"> Appropriate design, including lighting, to imbue sense of safety Encourage greener forms of travel Removes barriers to active travel Ensures inclusive access to employment 	
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Options assessment	<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>Yes – However, the choice of Magna as a relatively good location for the scheme could be more clearly explained. Only 2 “DS” options are considered Option B – a stop only and Option C - a stop plus P+R site. Clearly the P+R site requires platforms to be in place, and the bulk of the costs are concerned with this, since a car park serving the Magna Development is already in situ. For completeness, the “Stop only” option could have been modelled to clearly show the limitations of the location as a “walk-up” tramstop without further residential development in the area and why the scheme therefore relies on its ability to intercept otherwise “through” traffic.</p>														
Statutory requirements and adverse consequences	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>Yes - Planning consent (tbs Feb 2022) Stakeholder engagement – from June 2021</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>No. There may be some abstraction of existing bus passengers from slower bus services that operate along the Don Valley. The risk of competition between bus services and tram-train services is likely to be mitigated through future bus partnership collaboration (as part of SYPTe's Bus Service Improvement Plan) and is not considered a sufficient reason not to implement the scheme.</p>														
Value for Money															
Core monetised Benefits	<p>[Core BCR – table 4.1]</p> <p>1.67 (OB=18%); 0.89 (OB=64%)</p>	Non-monetised and wider economic benefits	<p>[Values/description – supplementary form]</p> <p>Moderate beneficial – Noise, LAQ, GHG</p>												

No land use change is expected, but the existing businesses near the scheme will become more accessible and therefore experience higher footfall, which could support expansion and regeneration investment.

Do the key assumptions and uncertainties present any significant risks to achieving the value for money?

Stage of costing (pre-GRIP but recently reviewed and updated for inflation) means potentially costs could rise significantly to FBC. Technically, the OBC applied should be 64% not 18%, given that detailed costing work on site to GRP Level 3 has not yet been carried out. Discussions with the promoter indicate however, that costings have been on the basis of the site-specific requirements and verified by a QS. Nevertheless there remain some significant cost uncertainties. Using 64% instead of 18% would reduce the BCR to 0.9

Work will be carried out in the next 2 months to harden the estimates via a Gateway process and further contractual processes (incl. a D&B contract) with NWR aimed at ensuring risks are appropriately calculated and managed/borne such that a fixed price can be agreed at FBC.

Resubmission of the OBC with more accurate costings has been considered but would probably introduce unnecessary delay, assuming these issues are resolved at FBC.

A number of sensitivity tests were carried out, to both cost and demand. They have been re-cast around the adjusted core scenario BCR of 0.9. The tests indicate greatest sensitivity of the economic case to the likely change in capex and therefore the importance of keeping this under control. (Note: at FBC the OB factor should be reduced to 4%, which, assuming nothing changes to the costings as submitted (and these are based on latest rates, inflation and scheme details) would increase the BCR to 2.28.

Test:	BCR
Capex +20%	0.67
Capex – 20%	1.34
Demand capped yr 10	0.75
Demand capped yr 30 (core=20)	0.96
Magna expansion	1.04
£1 parking charge	0.96
£2 parking charge	0.89
Low growth (COVID)	0.79

Do the key assumptions and uncertainties present any significant risks to achieving the value for money?

These impacts are positively correlated with transport user benefits, so risks to the latter apply to these too.

Further work may indicate health benefits associated with additional active travel access/depart from the stop, and to any dependent development that eventuates

Value for Money Statement

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

Potentially, yes. Benefits are robustly calculated but capital costs will need to be contained close to the levels submitted here. Given the simplicity of the scheme and the support of other parties, this should be achievable.

A bigger strategic question is whether the rest of the tram network required for benefits to be achieved, will be adequately funded in future, a decision that is in the hands of SYMCA and will be assumed to have already been made (positively) by the approval of this scheme.

Risk

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

The Applicant lists these risks to costs/outcomes:

1. Accuracy of costing estimates
2. Delivery of project within TCF timescale
3. Planning Permission
4. Future viability of Magna Science & Adventure Park
5. Risk that agreement cannot be reached with Magna on the access/operation of the new Tram Stop facility and P&R

These risks are being explored and managed by the Applicant, in discussion with relevant parties.

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

No – assuming all residual risks known by FBC submission and all necessary supplier contracts and agreements are in place.

Are there any significant risks associated with securing the land or full funding for the scheme?

Yes – Risks 4 and 5 are potential “showstoppers”. The applicant states that initial discussions with Magna management have been “very positive” and “Very supportive and keen to see the new stop implemented”. According to discussions held with the promoter (10/6/21) a 100-year lease over the land required for the P+R (and its access) at peppercorn rates is likely to be agreed by the landowner - and should be a condition of FBC approval.

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

The applicant states :

*“a risk allocation of £1.664m has been provided within the scheme cost estimate which is designed to allow any cost increases during the design development and procurement process to be accommodated. This takes account of estimating tolerances and quantification of identified risks. It is also proposed that the pre-tender stage will include a level of **Early Contractor Involvement** for constructability of the tram train stop and the production of a constructability assumptions report. This and a detailed review and verification of the Summary Cost Plan prior to tender should ensure the robustness of the pre-tender estimates. However, should costs increase during the tender stage and cannot be accommodated within the risk allowance the Project Partners would look closely at the scheme costs to determine if any value engineering was possible to reduce the costs, whilst maintaining the expected outputs and outcomes, prior to entering into contract.”*

Network Rail will be SYPTE’s contractor for construction of the tram stop, a D&B contract to be awarded Jan 2022. The P & R works will be tendered in August 2021 and awarded Jan 2022. These dates appear logical. Cost will be known and held at FBC (Oct 2021).

Delivery

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

“Challenging” (per 7.2) (April 2023) However the applicant states that it is “confident that there are robust project and programme management process embedded within the organisation to ensure the successful management and delivery of this project.” (7.5)

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 promotor confirmed they will cover any cost overruns?

30%

Has the promoter demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed off this business case?

Yes. The SRO is identified in Appendix I as SYPTE’s Director of Customer Services and the business case has been signed off by SCRMCAs Senior Finance Manager

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

No – but will commence June 2021. (There is generally substantial public support for tram.)

Are monitoring and evaluation procedures in place?

No - to be developed through the FBC process, based on the draft iteration set out in Appendix K

Legal

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

Yes, In the opinion of the SYPTE’s Principal Solicitor and Secretary, this does not apply to this scheme.

Recommendation and Conditions

Recommendation	Proceed to Full Business Case
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	

The following information must be supplied with the FBC:

For the Strategic Case/M&E Plan:

1. Suggest highlight P&R journey time savings for current commuters and others (to urban centres);
2. Need for benefits of and to Magna to be highlighted – numbers currently visiting by car from tram-accessible origins could support the “need” argument. Role of Magna – how dependent further development is on access. Views of management and other local stakeholders could be usefully included;
3. Specific quantified targets for patronage, mode shift (from bus and car-all-the-way), P&R occupancy, based on modelling, needs to be included. Total P&R occupancy currently across route would add to confidence in assumptions made;
4. Jobs by type currently within the walking catchment of the proposed tram-train stop and current mode shares.

For the Economic Case :

1. A clearer statement as to why the VDM model (SCRTM1) was considered inappropriate;
2. Appraisal results for Option B in more detail to highlight importance of P+R provision as well as access to Magna (by road and tram);
3. Consideration of post COVID levels of congestion given lower demand growth. This could be done by adjusting the MECs assumptions;
4. why mode shift from bus to tram-train is desirable, and the potential numbers of trips that may be diverted to P&R, or through mode-shift to tram-train from other modes, and the net impact on SYPTE’s revenue budget of increased tram/reduced bus revenue;
5. Detailed QRA with p50 risks specified and base costs revised to Grip 5 levels of certainty;
6. A full DIA for impacts in-scope.

For the Financial Case :

1. Source of match funding.

