

Assurance Summary



Scheme Details

Project Name	O0049 City Centre Cycle Hub BJC	Type of funding	Grant
Grant Recipient	SCC	Total Scheme Cost	£352,989
MCA Executive Board	Transport	MCA Funding	£300,540
Programme name	ATF	% MCA Allocation	85%

Appraisal Summary

Project Description	
<p><i>Is it clear what the MCA is being asked to fund?</i> Yes. The project aims to deliver a facility which will provide secure short term bike storage (for a limited number of hours per user) to enable visitors to the city centre to leave their cycles in confidence. The unit would be leased to a commercial operator for an easily accessible rent and would also include a retail unit (possibly at a subsidised rent) for lease as a bike repair centre. This could also include bike hire and sales. The grant requested would cover the cost of fit out of the hub – electrics, plumbing, lighting, windows, doors, bike stands, security measures, monitoring measures, storage, shelving, display units.</p>	
Strategic Case	
<i>Scheme Rationale</i>	<p><i>Does the scheme have a clearly stated rationale and provide a strong justification for public funding?</i> Yes. Section 3.2 sets out the various ways in which the proposed hub would support SCR objectives, including the economic plan and transport strategy.</p>
<i>Strategic policy fit</i>	<p><i>How well does the scheme align with the strategic objectives of the SEP and RAP?</i> Reasonably – but local and national level documents need to be referred to. Section 3.2 sets out the various ways in which the proposed hub would support SCR objectives, including the economic plan and transport strategy. Section 3.3 goes on to discuss how the proposed hub will contribute to the delivery of net zero. Section 3.1 briefly discusses the projects alignment with the SCC Transport Strategy. Section 3.3 references the UK Government's commitment to a bolder vision for cycling and walking.</p>
<i>Contribution to Carbon Net Zero</i>	<p><i>Does this scheme align with the strategic objective to achieve Carbon Net Zero?</i> Yes. Section 3.3 goes on to discuss how the proposed hub will contribute to the delivery of net zero.</p>
<i>SMART scheme objectives</i>	<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 3.8)?</i> SMART objectives are set out at Section 3.5. They are clear and well developed, however a number of them relate to the wider programme of works, not the specific scheme being proposed as part of the submission. It would be beneficial if more of the objectives relate specifically to the active travel hub, in order to establish its use and effectiveness. For example, the number of bicycles parked or rented over a given time period, or the amount of respondents to questionnaires (post engagement) who say they are more likely to cycle as a result of the information and facilities provided. It is noted that the timescale against which objectives are measured is '2040'. Assessment should be undertaken well in advance of that, in the year of opening and a handful of years succeeding opening.</p>

Options assessment	<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>Yes. The problem is well described (Section 4.2) as a lack of safe storage for cyclists in the city centre and associated theft issues. Section 3.6 and Appendix 6 describe several options in terms of permanency and location for a bike hub and it is clear these have been considered against a set of criteria based on need for location in city centre, a short walk from the main retail area, manageable, economical (a funding stream is required) and near a route. Section 4.5 describes how the preferred option was selected. Section 4.4 states that: “ <i>the location is conveniently situated and easily accessible from existing and planned cycle infrastructure, such as the TCF funded schemes. Other locations are suitable for less extensive storage, so do not present the same opportunity. Designs have been produced and demonstrate that the unit available at Telephone House has sufficient space available to provide the required storage capacity. The unit would be leased to a commercial operator for an easily accessible rent and would also include a retail unit (possibly at a subsidised rent) for lease as a bike repair centre. This could also include bike hire and sales.</i>”</p>		
Statutory requirements and adverse consequences	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>Yes. Planning consent required for “Change of Use”. Retrospective application may be acceptable – depending on external changes made to the existing building as part of hub development.</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>No</p>		
Value for Money			
Core monetised Benefits	<p><i>[Core BCR – table 4.22]</i></p> <p>7.61</p>	Non-monetised and wider economic benefits	<p><i>[Values/description – supplementary form]</i></p> <p>Supplementary form states environmental impacts “neutral” No wider impacts.</p>
<p><i>In your view do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i></p> <p>Yes. The BCR has been calculated in AMAT and has been tested for low growth and increased cost – which together reduce the BCR to 2.34. This seems reasonable</p>	<p><i>Do the key assumptions and uncertainties present any significant risks to achieving the value for money?</i></p> <p>No – scheme not reliant on these for success.</p>		
Value for Money Statement			
<p><i>Taking into consideration the monetised and non-monetised benefits and costs, does the scheme represent good value for money?</i></p> <p>Yes</p>			
Risk			
<p><i>What are the most significant risks and is there evidence that these risks are being mitigated?</i></p>			
<p>Risk</p> <p>[State the risk and identify both its probability and impact on a scale of high-medium-low]</p>	<p>Mitigation</p> <p>[State how you will mitigate the risk]</p>	<p>Owner</p> <p>[State who is responsible for mitigating this risk]</p>	
Cost of works exceed budget	Cost estimate prepared Mar 2021. will be opportunities to reduce scope of offer if necessary	Cost manager	
Utility supply costly to connect to. Increased cost or design changes	Project exceeds available budget	Designer	
Lack of take up / use by public	Unsustainable closure	BMBC/Operator	
Building control request design changes to the design.	Impact on funding timescales	Designer	

Change of use required	Impact on funding timescales	BMBC
<p><i>Do the significant risks require any contract conditions? (e.g. clawback on outcomes)</i> No <i>Are there any significant risks associated with securing the full funding of the scheme?</i> No (10% LTP) <i>Are there any key risks that need to be highlighted in relation to the procurement strategy?</i> Not really. Lack of interest is possible (a low risk).</p>		
Delivery		
<p><i>Is the timetable for delivery reasonable and has the promoter identified opportunities for acceleration?</i> Yes - milestones clarified in Section 5.4 <i>Is the procurement strategy clear with defined milestones?</i> Yes. The strategy is well-developed – two options are possible for construction– adding works to an existing HOC2 contract or via YORbuild2 framework. The bike hub operation is expected to be let competitively in the next 2 month for a discounted market rent + service charge and (potentially) business rates related to the potential profitability of the proposal. <i>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?</i> 60% <i>Has the promoter demonstrated clear project governance and identified the SRO?</i> Yes. Yes. TFS <i>Has the SRO or other appropriate Officer signed of this business case?</i> Yes <i>Has public consultation taken place and if so, is there public support for the scheme?</i> No, but market testing with 3 potential operators has taken place, indicating capacity is required. This is supported by market research in other cities. <i>Are monitoring and evaluation procedures in place?</i> Yes. Clearly laid out in Section 7.8</p>		
Legal		
<p><i>Has the scheme considered Subsidy Control compliance or does the promoter still need to seek legal advice?</i> Legal advice not clearly obtained but the issue has been considered by the promoter. Section 7.4 asserts that all aspects will be commercially tendered. The below market rent is consistent with the situation for other SCC tenants running small businesses in the locality.</p>		

Recommendation and Conditions

Recommendation	Approve for contract
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	

- **The following conditions have to be satisfied before contract execution.**

Satisfactory explanation of the projects sustainability and how the ongoing revenue costs will be met in future years.

The deadline for confirming all pre-conditions are met is 19th November 2020

- **Conditions within contract**

Standard clawback

