



South Yorkshire Supertram Business Plan 2024/25

Draft v1.7

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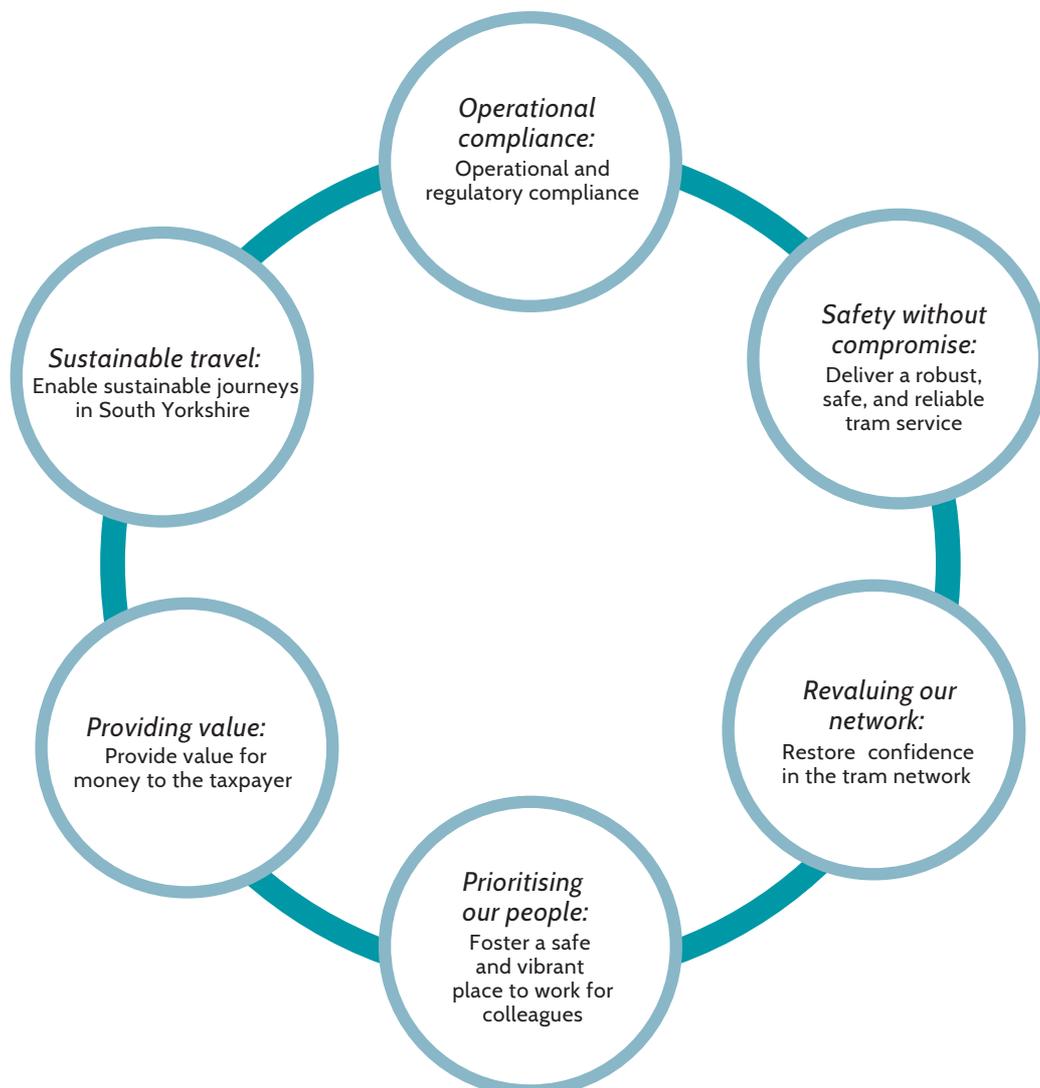
Executive Summary

The Supertram light rail network will transfer to public ownership as an arm's length wholly owned subsidiary of the South Yorkshire Mayoral Combined Authority (SYMCA) in March 2024. The MCA will be responsible for the system's operations, management, and finances. The new business will be incorporated as South Yorkshire Future Trams Limited (SYFTL), known as South Yorkshire Supertram (Supertram).

The Supertram Business Plan 2024/25 will be a comprehensive document that outlines the company's objectives and goals from the beginning of the new concession.

The business plan is based on extensive market research, statistical data and industry best practices, which provide a solid foundation for the company's operations. The document includes detailed information on the company's strategies, resources, expected outcomes, and potential challenges. It is a valuable guide for SYFTL's stakeholders and partners, providing them with a clear understanding of the company's vision and priorities.

To achieve our vision for South Yorkshire Supertram, our business plan is built around six operational goals:



Our performance is measured by Key Performance Indicators (KPIs) grouped under the headlines of:

1. *Safety and Compliance*
2. *Customer feedback and Insight*
3. *Service Performance*
4. *People and Organisation*

Key initiatives and more detailed KPIs will be contained in a delivery plan that will span the transition and business transformation of the business. The year 1 delivery plan is designed to take control of the new business and build trust, whilst beginning the process of preparing the tram operation for growth. The approach is to:

- *Deliver the best possible service for our customers, working together with multi-modal industry partners, active travel and our regional stakeholders to drive a safe, accountable and net-zero operation.*
- *Deliver our commitments, carefully developing efficiencies which manage cost and offer better value for money to customers and taxpayers in our region.*
- *Identify opportunities to remove cost as passenger numbers recover, whilst creating the environment for and a business plan for growth.*

The Supertram Business Plan 2024/25 is strongly aligned with the policies, aims, and objectives of the Local Transport Plan. The plan will complement and uphold the financial and performance reporting duties and responsibilities of South Yorkshire Future Trams Limited to the board of SYFTL and the board of MCA.

As a public body, we take a proactive approach to developing our plans by actively listening to local people and businesses. We ensure that there is thorough engagement and accountability for the feedback we receive. Our business plan is carefully crafted to define how we will meet these objectives. We conduct market research, gather evidence, and use industry best practices to help us achieve our vision.

2. South Yorkshire Tram System

2.1 Historical Context and Background

Launched in 1994, South Yorkshire's Mass Transit light rail network has become an integral part of the South Yorkshire region: it provides accessible, high frequency and efficient public transport to a range of employment, educational and recreational opportunities; it facilitates sustainable, low carbon travel with minimal environmental impacts; and it is an icon for the region, much beloved both by residents and visitors.

It remains today an innovative leader in UK tram through the delivery of a new tram-train network in 2018 linking Sheffield to Rotherham. This forward-thinking project proved that heavy and light rail can successfully operate on the same infrastructure.

Tram-train is an enabler for South Yorkshire and the wider UK to use technology to connect people geographically more closely to their transport needs. It is doing this by using a relatively operationally and financially efficient light rail solution.

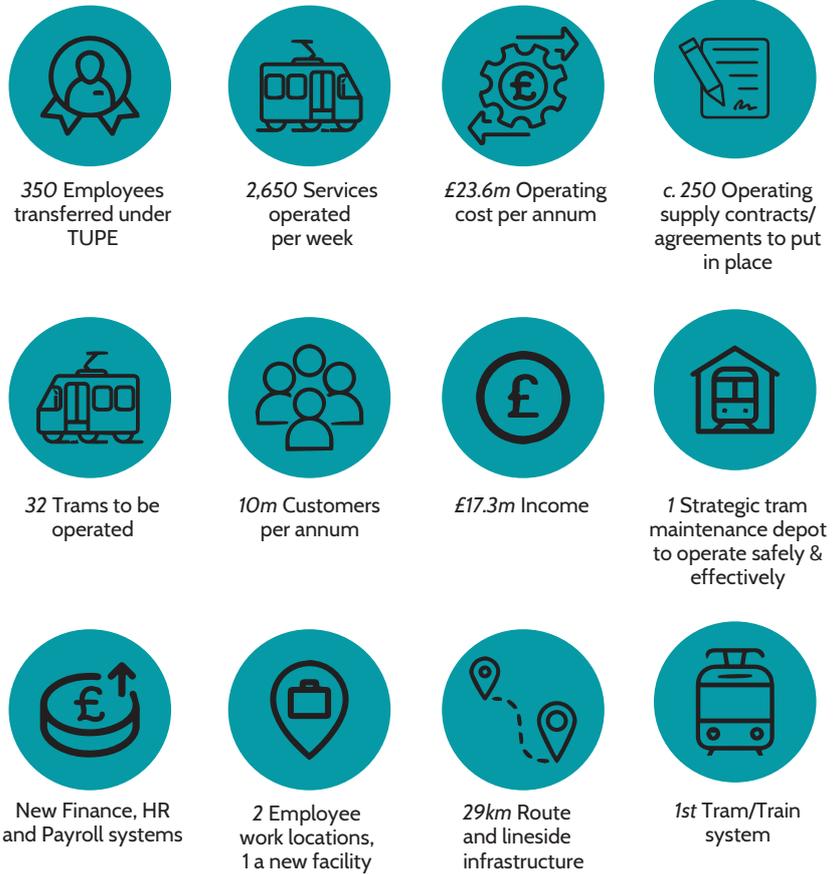


Figure 1: The Light Rail system at a glance that will transfer on 22 March 2024

2.2 A Trusted Brand and a New Beginning

The Supertram light rail network will transfer to public ownership as an arm’s length wholly owned subsidiary of the MCA in March 2024. The new business incorporated as South Yorkshire Future Trams Limited (SYFTL) will continue to be known as South Yorkshire Supertram with the operational, managerial, and financial responsibility for the system reverting to the MCA.

It’s been part of our region’s fabric for nearly thirty years and remains hugely popular. In the next thirty years, it will play a critical role in helping us reach our net zero goal. Not just as a publicly owned, publicly-operated venture, but one which we hope will eventually have an expanded footprint covering an expanded area, serving a much greater proportion of the people of South Yorkshire. That’s the ambition.

2.3 The Planning and Delivery Approach

The pyramid presented in *Figure 2* underpins the Supertram Business Plan 2024/25 and ensures that the operator delivery plan initiatives map back to the vision and mission statements that will be developed for the tram business.

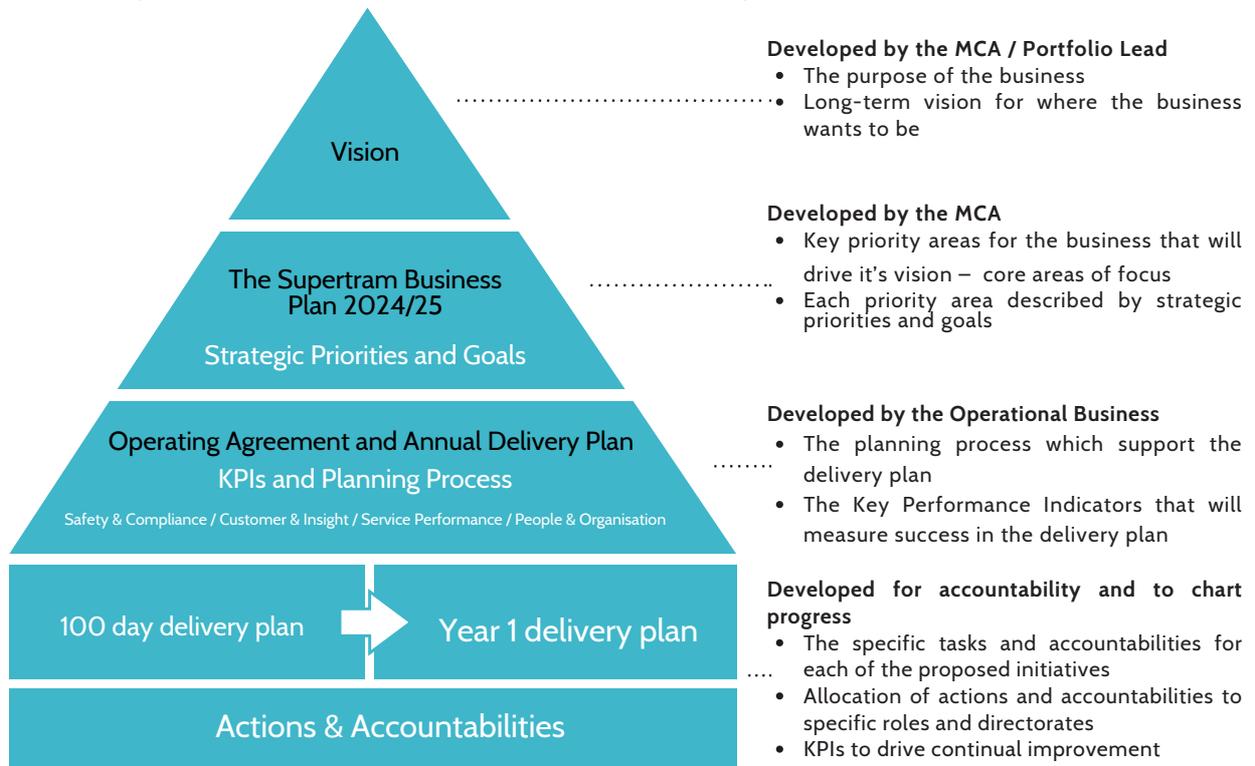


Figure 2: The Supertram Business Plan 2024/25 planning framework

Key initiatives and supporting KPIs will be supported by a delivery plan produced by the operator that spans the transition (100 days) and business transformation (1 year) of the business.

The Supertram Business Plan 2024/25 will build on the track record of light rail delivery and innovation in South Yorkshire and will also support the smooth, safe and seamless concession transfer of the existing Stagecoach owned business across to the MCA, and through its first year of operation.

The year 1 delivery plan is designed to take control of the new business and build trust, whilst beginning the process of preparing the tram operation for growth. The approach is to:

- Deliver our business plan commitments, carefully developing efficiencies which manage cost and offer better value for money to customers and taxpayers in our region.
- Look for opportunities to remove cost as passenger numbers recover, whilst creating the environment for and a business plan for growth.
- Creating the best possible services for our customers, working together with multi modal industry partners, active travel and our regional stakeholders to drive a safe, accountable and net zero operation.

2.3 The Future of the Light Rail Network

2.3.1 Stabilisation and Renewals

With new ownership comes the opportunity for the Supertram business to refresh its brand and improve its range of products to adapt to the changing travel patterns post-COVID. The business will undertake this as part of a broader transport strategy while also managing risks and customer perception during a period of asset renewal.

The tram and infrastructure assets will reach their economic end of life in 2024. Some of the elements of the asset and supporting systems are becoming obsolete as supply chains are discontinuing support or new regulations are driving the need for renewal. Despite ongoing maintenance and renewal efforts, there is a risk of declining asset reliability and failure.

Like other public transport operations, Supertram has seen a considerable reduction in demand as a result of new travel behaviours adopted by the public following the COVID-19 pandemic. This demand pressure is exacerbated by poor operational reliability and the deteriorating condition of customer-facing assets, such as tram stops, which are visibly in need of repair based on research findings. The deterioration is largely due to the age of the vehicles and other infrastructure, which is having a negative impact on passenger experience, perception of the brand, and which urgently needs replacement or renewal.

For the full benefits of the tram to be unlocked it is essential that as many people as possible use the network. Investing in the safety, reliability, and attractiveness of the network is essential to increase patronage and create a network that meets future needs.

2.3.2 Local Transport Plan

The tram service, along with the local bus network, rail links, and Active Travel, plays a crucial role in providing essential transportation to our communities. It is especially important for households in certain parts of South Yorkshire where up to 35% of people do not have access to a car. Efficient public transport and sustainable road transport are crucial in providing transportation options tailored to individual needs. This approach helps in attracting people away from more polluting modes of transport, which is not only necessary for driving economic growth but also in addressing the climate emergency in South Yorkshire. Additionally, it supports the targets of the Clean Air zones in our region.

In addition, the case for Supertram is supported by Sheffield City Centre Strategic Vision. Sheffield City Council have developed a vision for the city centre, which is liveable, connected, and resilient. Key to that is delivering enhanced connectivity and accessibility for the City Centre through integrated and sustainable transport.

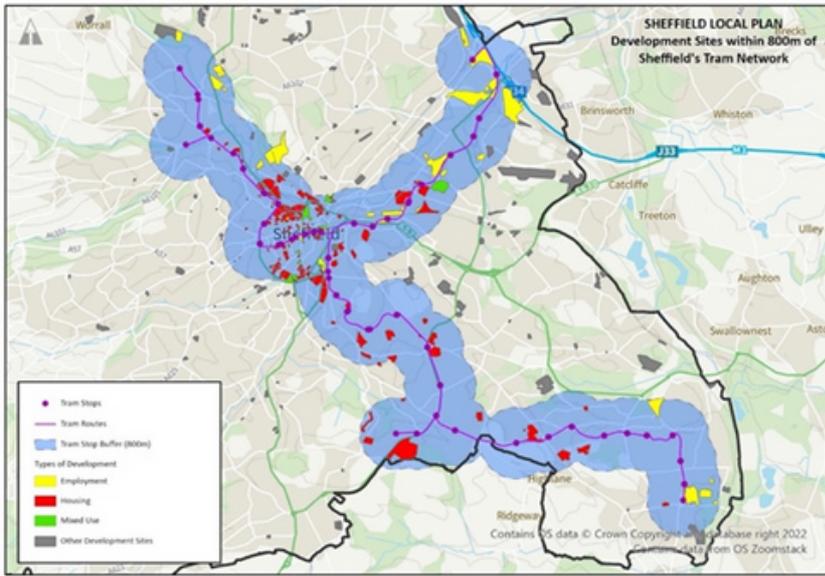


Figure 4: Development Sites within 800m of the tram network (source: SYMCA / OBC Strategic Case 2023)

2.3.3 Enabling Sustainable Connectivity to Local Development

The tram will help deliver sustainable access to several development sites in the region. Figure 4 illustrates that many planned development sites outlined with the Sheffield Local Plan are situated within an 800-metre radius from the network, which encompasses around 40,000 housing units and 2.37 million square metres of employment floorspace. Over 80% of these developments are expected to be completed between 2025 and 2030, indicating significant potential for growth in the near future.

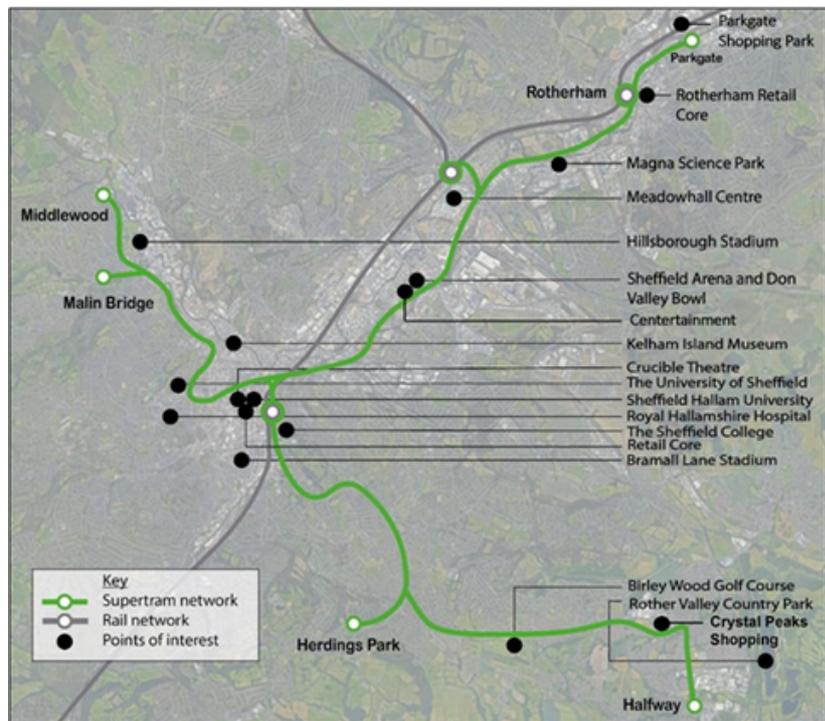


Figure 5: Cultural attractions on the Mass Transit network

2.3.4 A Vital Role Connecting the Region

The network serves major areas of employment in the region connecting to Sheffield City Centre and the Don Valley, as well as major retail centres at Meadowhall and Rotherham. In addition, most of the facilities for all three of Sheffield and Rotherham’s higher education institutions and both major further education institutions are directly served by the Mass Transit network. The range of destinations served by Mass Transit is shown in Figure 5.

3. MCA Governance

3.1 Strategic Direction from the MCA

The MCA will develop the strategic direction of South Yorkshire Supertram by its decision to take control of its operations and subsidising the tram network. To support this, the MCA will establish an adaptable organisational and management governance structure, capable of accommodating changes and effectively leveraging the opportunities presented by a constantly evolving and multi-modal transport network with the ultimate aim of driving benefits to the region.

Key to this success will be the governance structure that is developed, to ensure the safe, resilient, and strong operation of South Yorkshire Supertram. The MCA operates a Cabinet style Governance structure, see figure 6 below:

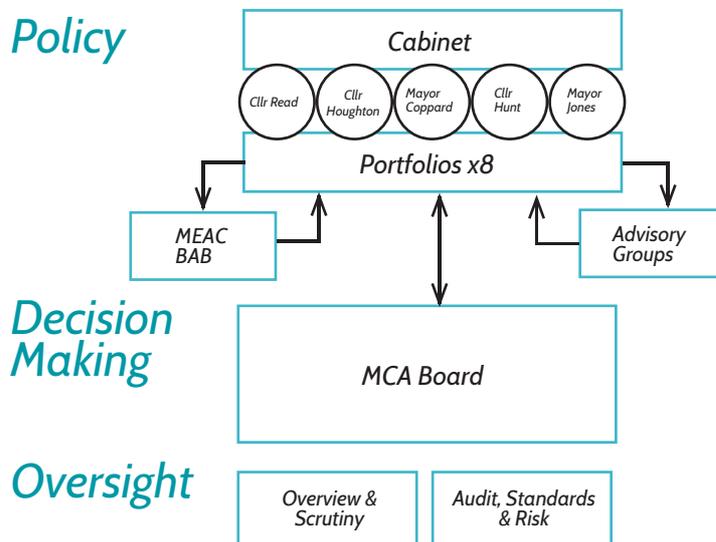


Figure 6: Cabinet style MCA governance structure

Each Member of the MCA is responsible for one or more Portfolio. The Portfolio Holder for Transport, including the Tram, is the Mayor. The Mayor is supported by the Executive Director of Transport, and a Lead Chief Executive.

Formal decision making by the MCA in respect of the tram business will be made at the MCA Board e.g., approving the annual business plan.

Day-to-day operational decision making will be taken by SYFTL in accordance with its internal decision-making structure, overseen by the board of directors (figure 7) and an operating agreement (see 3.1.2).

3.1.1 Board Support and Control

The MCA will appoint a non-executive team of directors. There will also be an Independent Non-Executive Director (NED) appointed following a clear and transparent process. This role will be developed with a clear profile, scope, and expectations. The Board will also include several Executive Directors.

The transparently appointed Independent NED will provide impartiality, commercial and operational safety challenge to the SYFTL Board. This is seen as best practice and valuable addition to the Board. The Independent NED adds a new specialist voice to tram leadership after the long period of Stagecoach ownership.

The Non-Executive Directors will ensure that the operation of South Yorkshire Supertram by SYFTL is aligned with MCA strategy and objectives and that the MCA can have a clear line of sight on performance and safety.

The Board of SYFTL will be as set out as below, incorporated as South Yorkshire Future Trams Limited.

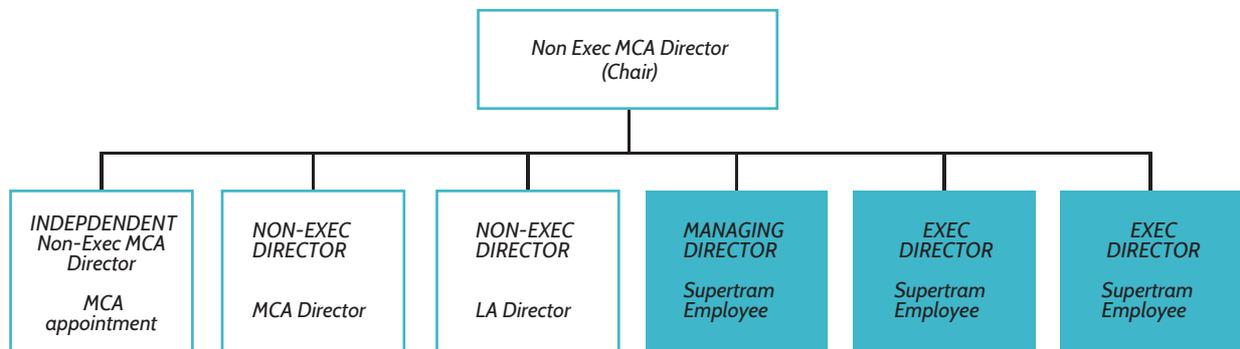


Figure 7: The Governance Board for Supertram

3.1.2 Operating Agreement and an Annual Delivery Plan

SYFTL will be contracted via an Operating Agreement. The Operating Agreement is a fixed agreement between MCA and SYFTL and sets the governance framework and how risk is managed. The Operating Agreement will have a set of minimum performance metrics e.g., a high-level timetable, agreed KPIs, etc. This will be set out in a comprehensive delivery plan document produced by the operating business on an annual basis. This delivery plan will be appended to the operating agreement annually and will set out the actual plans and targets for each 12-month period. Each plan will be submitted to the MCA for approval prior to the commencement of each year.

The MCA, as part of its wider governance and budget setting, will assess the SYFTL delivery plan so it understands its financial commitments and risk. In doing so, the MCA will approve the funding subsidy and be aware of the high-level plans and initiatives for the 12 months ahead. The delivery plan will inform the MCA overall budget and any core risks escalated to the wider Transport Risk Register.

The delivery plan process will avoid the need for variations to the Operating Agreement through change mechanisms and gives the MCA the flexibility to fund or defund and adjust KPIs and measures annually or through remedial recovery plans as required. The Year 1 delivery plan will as a result be appended to the Operating Agreement. In addition to the delivery plan, which is a performance document, SYFTL will be required to produce an annual budget. This will be submitted to the MCA in such time to inform the MCA’s own budgeting process.

This delivery plan is critical to ensure SYFTL deliver to their commitments and that day-to-day risks are managed and understood. The plan is supported and delivered through a range of KPIs and reporting, which will be measured as part of monthly and periodic governance.

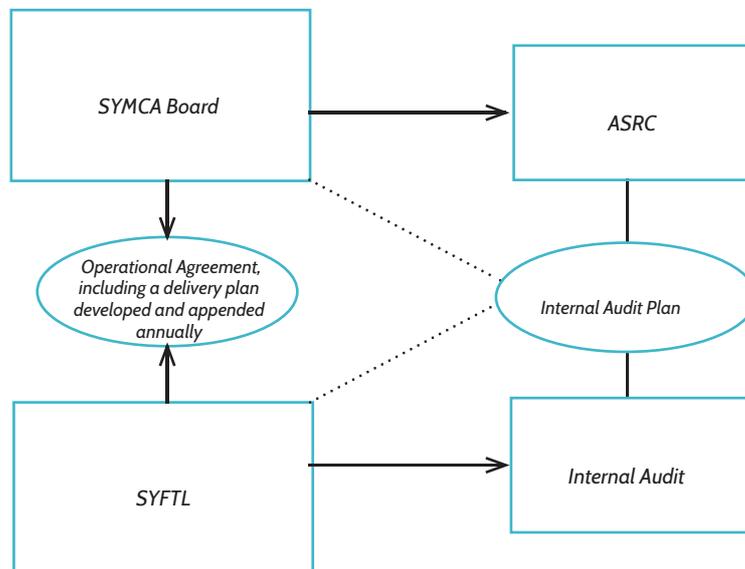
SYFTL will be required to produce a four-weekly periodic report demonstrating actual performance against KPI targets and progress against objectives as set out in the delivery plan for review by both SYMCA and the Board of SYFTL. The business will be required to produce calendar monthly management accounts that demonstrate performance against budget and cashflow projections with commentary on any significant variances.

3.1.3 Audit Committee Arrangements and Assurance

The Operating Agreement and current UK legislation ensures that safety and regulatory risk is addressed at a Supertram operational level, with SYMCA as system owner providing challenge, reviewing KPIs and developing a clear audit process to ensure compliance.

The diagram below set out the Audit arrangements proposed for SYFTL, this makes best use of the MCA's existing internal audit arrangements and will play a significant assurance role in ensuring that the MCA has appropriate oversight of SYFTL.

Figure 8: MCA's route to secure wider assurance



In brief:

SYMCA Oversight

- MCA Board receives regular reporting on performance
- MCA agreed annual delivery plan for SYFTL
- MCA Strategic Risk Register capturing higher level non-operational risks
- (includes safety performance against KPI's etc)
- MCA agreed annual Internal Audit Plan aligned to strategic risk register
- MCA client-side function, monitoring delivery against Operating Agreement and delivery plan

SYFTL Board Composition

- 2 SYMCA directors appointed to SYFTL Board to ensure the strategic aims of
- MCA are delivered, direct reporting escalation to ELB/MCA
- 1 independent non-exec Director appointed
- 1 non-exec local authority Director

Role of ASRC

Extended to include SYFTL as a subsidiary of MCA, role would be to:

- agree Internal Audit Plan, receive Internal Audit Plan reports and monitor delivery of actions
- review strategic risk register

SYFTL Director to attend ASRC to present performance report against business plan, internal audit reports and risks.

4. The Financial Model

4.1 Budgeting

Next year SYFTL is budgeting to spend in the region of £23.6m on the day-to-day running costs of the tram system. Nearly 60% of costs go towards the wages and salaries of the workforce comprising tram drivers, conductors, engineers, and support staff.

Almost 20% of the budget pays for traction costs, in other words the cost of electricity which powers the trams. Around 12% of the budget is set aside for maintenance costs, to ensure that the trams, tracks, and other infrastructure can be operated safely.

The remaining budget is spent on other operating and administrative costs borne by most companies, such as rent and rates, insurance, ticketing, information technology, recruitment, and training.

The full budgeted cost profile for 2024/25, along with the financial overviews for the new business for the next financial year are highlighted below.

	2023/24 Forecast £'000	Pressures £'000	Savings £'000	2024/25 Forecast £'000	Variance £'000
Income					
Ticket Revenues	£14,582	£0	£741	£15,323	£741
Concessionary Subsidy	£1,789	£0	£52	£1,841	£52
Advertising Revenues	£139	£0	£3	£142	£3
Total Income	£16,510	£0	£796	£17,306	£796
Operating Expenditure					
Staff Costs	£11,538	£2,068	£0	£13,606	£2,068
Infrastructure Maintenance Costs					
Major engineering works	£2,077	£0	£2,077	£0	£2,077
Routine maintenance	£1,561	£0	£0	£1,561	£0
Rolling Stock Maintenance Costs	£1,408	£0	£127	£1,281	£127
Traction Costs	£1,786	£2,461	£0	£4,247	£2,461
Administrative Costs	£744	£281	£0	£1,025	£281
Other Operating Costs	£2,581	£368	£1,077	£1,872	£709
Total Operating Expenditure	£21,695	£5,178	£3,281	£23,592	£1,897
Operating Deficit	£5,185			£6,286	£1,101
Funded by:					
Transport Levy	£0			£7,064	£7,064
Capital recharge to MCA	£0			£150	£150
Total funding	£0			£7,214	£7,214

Supertram Costs 2024/25

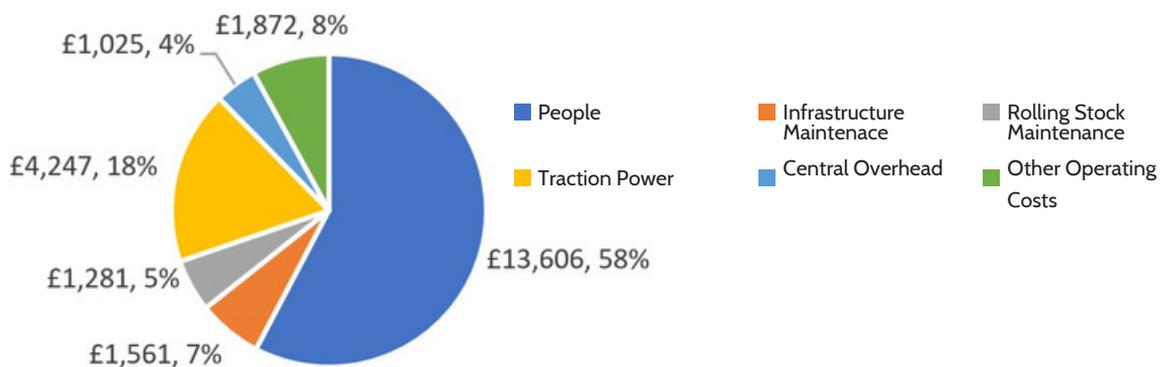


Figure 9: Financial overview and forecast for 2024/25

4.2 Key Activities and Investment

A number of key activities and investment initiatives are planned in year one which can be categorised under:

1. *Safety and Compliance*
2. *Customer feedback and Insight*
3. *Service Performance*
4. *People and Organisation*

One time investment is required to replace IT equipment which is either obsolete or will not form part of the handover from Stagecoach. In addition replacement software / systems will be required to replace those currently provided by Stagecoach group, this includes Finance, HR, IT and Payroll.

Within the Supertram business the areas of Safety and Compliance have been impacted in recent years, meaning that in the short term, investment is required to re-baseline the business and to mitigate operational risk through legal and regulatory compliance.

4.3 Funding

Next year SYFTL is expected to generate around £17.3m of income. £15m of this will come from ticket sales, and the majority of the remaining £2m of income will come from SYFTL's parent organisation SYMCA, which reimburses SYFTL (as well as bus operators) for elderly and disabled passengers and children. This is also known as the concessionary subsidy. SYFTL also earns a modest amount money from advertising.

All these income streams are not enough to cover the tram system's day-to-day running costs. In 2024/25, the operating deficit is forecast to be around £6.3m. SYMCA will pay an operating subsidy to SYFTL which will allow the company to meet all its financial obligations. SYMCA will also meet any costs necessarily incurred by SYFTL to deliver the asset renewal programme. In its own medium term financial plan, SYMCA has set aside sufficient resources (£5-7m per annum) from the South Yorkshire Transport Levy (paid by each of the four local authorities in proportion to their population) to cover the cost of the operating subsidy.

4.4 Moving Towards Sustainability

SYFTL is expected to operate at a loss of c.£6.3m in 2024/25. Over the course of this decade, the operating deficit is forecast to decline as energy prices begin to stabilise. One of SYFTL's primary goals is to decrease its dependence on the public purse. To achieve this, the delivery plan includes several measures that aim to boost ticket sales and other forms of revenue, as well as identifying more cost-effective ways of working. This includes new ticket collection machines which will speed up payments for customers, Efficiency in the business will be targeted with a major Timetable Optimisation Study the results of which will determine future service

levels and support efficient running and manning of services. This in turn will be supported by customer research to determine the new travel patterns post COVID-19, so fares and services can be targeted to attract more passengers and retain those who travel already. New reporting tools will be introduced which will support incident recovery to reduce delays, and asset management will be improved to prolong the life of critical infrastructure and tram components.

Engagement and retention of staff will be a core themes to support colleagues back to work and ensure key competencies are always in place and colleagues continue to be supported by relevant and safety-based training. A wider customer plan will be developed alongside other multi-mode public sector operators to share thinking, improve travel information and make travel seamless and app and websites frictionless.

These initiatives will be developed and built on as budget approvals are made, and the current leadership team are in a position to TUPE across to the new business. We will harness their vast experience and compliment it with new systems and technology to improve efficiency and the support they would expect of a new owning authority.

4.5 Patronage Challenges and Opportunities

These initiatives are vital as the business recovers from the impact of COVID-19. Upon opening, the network saw strong patronage growth (on average 8% per annum) and at its peak in 2010/11 carried nearly 15m passengers. However, recent years have seen patronage decline, carrying around 11.5 million passengers in 2019 prior to the COVID-19 pandemic. As shown in Figure 10, the impact on travel behaviour of the pandemic has caused further decline in passenger numbers.

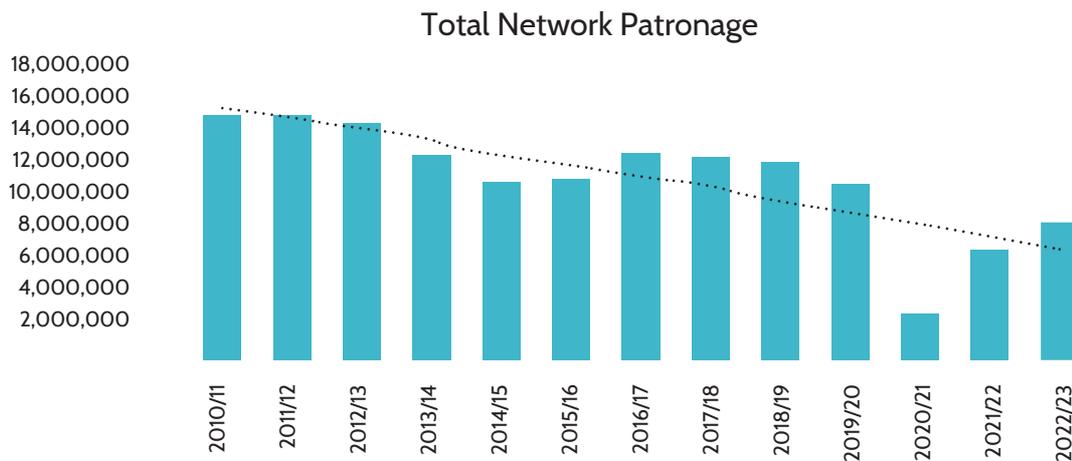


Figure 10: Mass Transit patronage (Source: SYMCA)

Prior to 2020, several factors contributed to a decline in tram patronage. Service closures occurred during and after periods of engineering work which led to frustration among passengers. Ageing vehicles also contributed to more frequent failures and impacted reliability.

Post-2020, the COVID-19 pandemic led to lockdowns and travel restrictions implemented by the government, causing demand for tram services to fall to 20% of previous levels before slowly recovering to around 78% in mid-2023. Hybrid working since the pandemic has led to a decrease in footfall into the city centre and has also impacted demand on tram, bus, and rail services.

With energy traction accounting for nearly 20% of the core operating costs we will work with public sector suppliers to manage risk and reduce exposure to energy price fluctuations. Tram still remains the low carbon travel solution for the region and more will be done over the medium term to harness other natural energy solutions or traction 'by-products' to power our depot and infrastructure.

4.6 Strong Customer Sentiment Base to Build From

Reversing the decline in patronage is a central focus as the business is stabilised and will help deliver a financially sustainable tram that provides wider benefits to society. Despite these challenges, the South Yorkshire Supertram network, as evidenced by surveys provided by independent organisations such as Passenger Focus (Figure 11) consistently scores highly in customer satisfaction surveys.

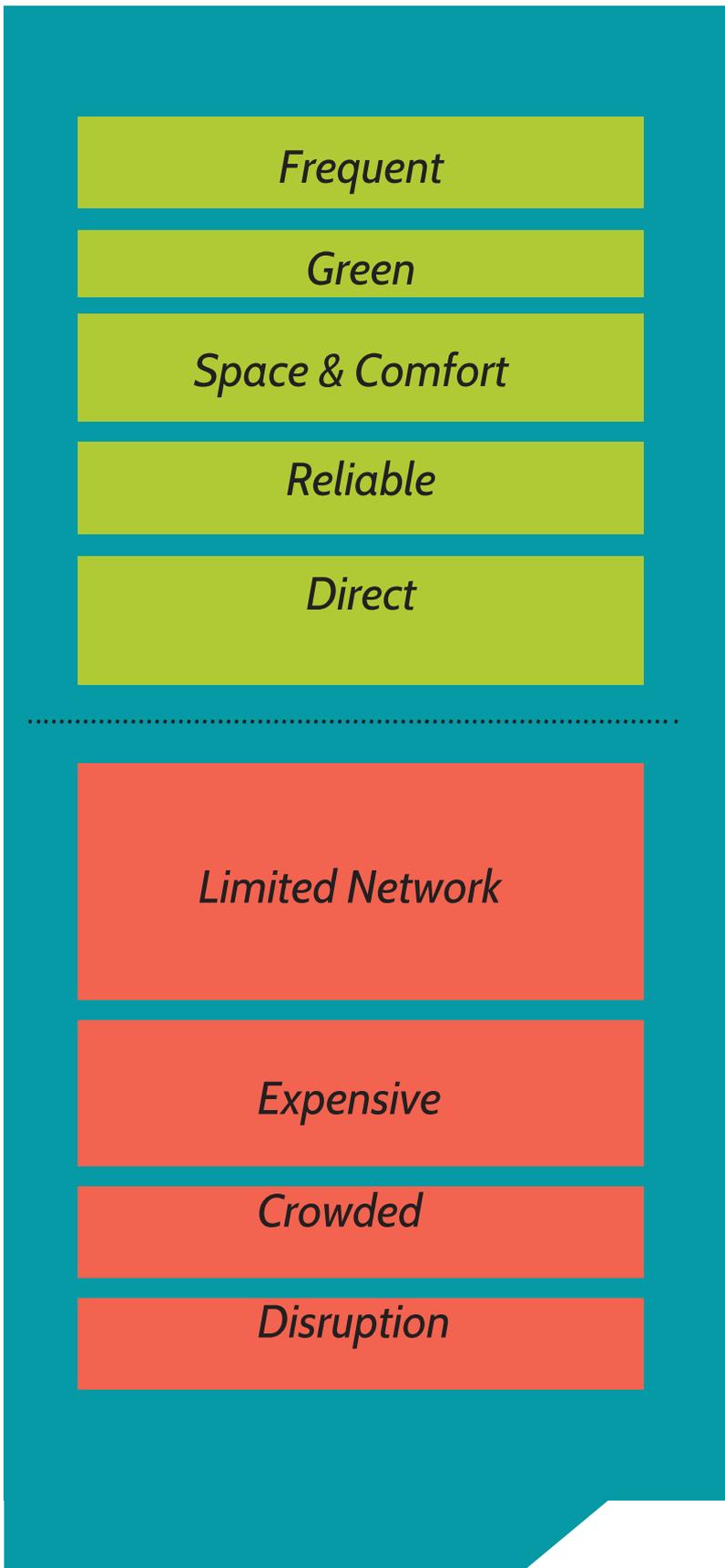


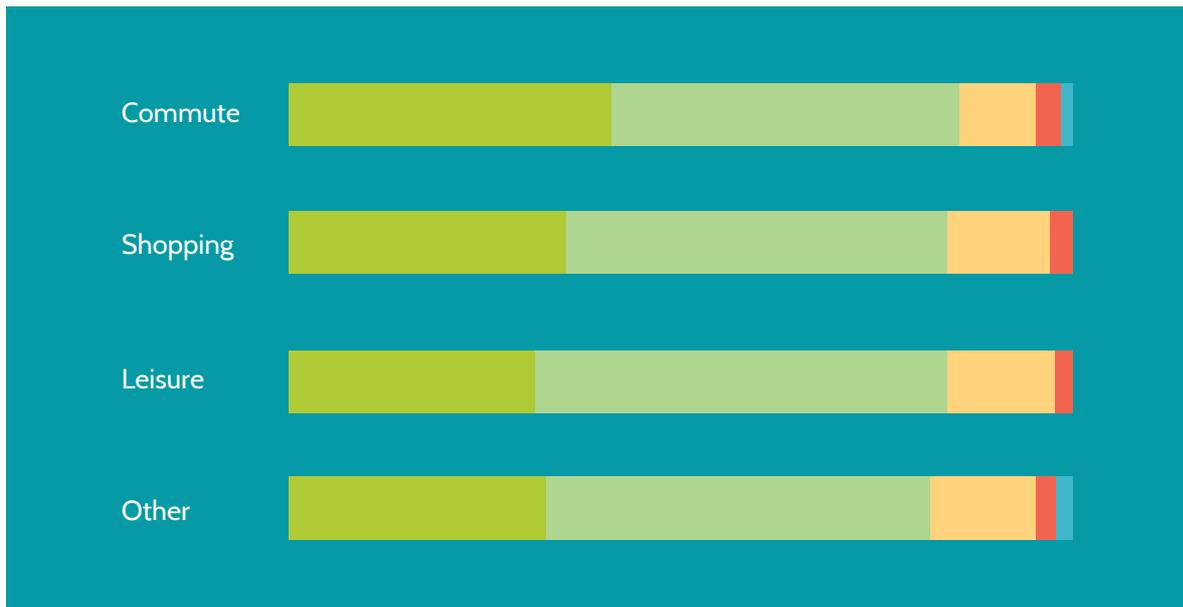
Figure 11: Passenger Transport Survey results prior to the pandemic

This has created high expectations in the region that the system serves, with reliability, punctuality, and consistency crucial to delivery for customers.

If you could sum up Supertram in 3 words, what would you use?



Overall, how would you rate your Supertram experience?



5. Health and Safety Leadership

The safety of customers and colleagues will remain the core priority for the business.

As the identity of the new business develops, we will ensure health and safety is at the heart of the brands and values developed. It's also key to the delivery of sustained performance and is embedded in initiatives developed in key areas such as:

- Operational performance
- Financial risks
- Reputation
- Customer Experience

Developing our people, systems and safety culture will help us incrementally improve colleague, customer, and operational safety performance. This will help us be a benchmark model for health and safety in Light Rail.

5.1 Regulatory Environment

SYMCA is subject to general health and safety legislation as well as legislation related to railways and tramways. SYMCA keeps up to date on key legislation relating to tram operation through updates from the HSE, IOSH, RSSB, LRSSB and through membership of UKTram.

5.2 Continuous Safety Improvement

We will work with partners and stakeholders such as the ORR, RSSB, other light and heavy rail partners, Network Rail and the Light Rail Safety Standards Board (LRSSB). Through the Operating Agreement and appended delivery plan, we will strengthen the safety resources and personnel employed in the new tram business and ensure the responsibilities are widened towards Safety, Health, Environment and Quality. This will be delivered in the first 100 days of the new operation. Key measures and continual improvement of safety culture will be re-energised by engaging with all staff and identifying specific learning and training requirements.

The safety of our people and our customers will be embedded in the new governance structure and ownership. A robust, continually improving safety culture is at the core of our delivery plan and will ensure the safe operation and sustainability of the business.

This will be delivered by initiatives which ensure South Yorkshire Supertram's safety culture is characterised by committed and visible management, shared beliefs and aspirations, close working with unions and other stakeholders, and comprehensive and proven new safety management systems and procedures. This culture will underpin the day-to-day running of the business and is designed to support the change and quality process that will be developed..

5.3 Safety Management Approach

The Safety Management System (SMS) is a suite of procedures which outline required competencies and processes to ensure the risks associated with Supertram are reduced so far as is reasonably practicable. The SMS has been written to ensure full integration with other SYMCA management systems and processes and, where appropriate, links with SYFTL's SMS as the Concessionaire for Supertram.

This written SMS provides an overview of the SYMCA Management System and references the key procedures which underpin and support SYMCA's oversight of SYFTL's operation and maintenance of the tram network and SYMCA's efforts to drive safety improvement.

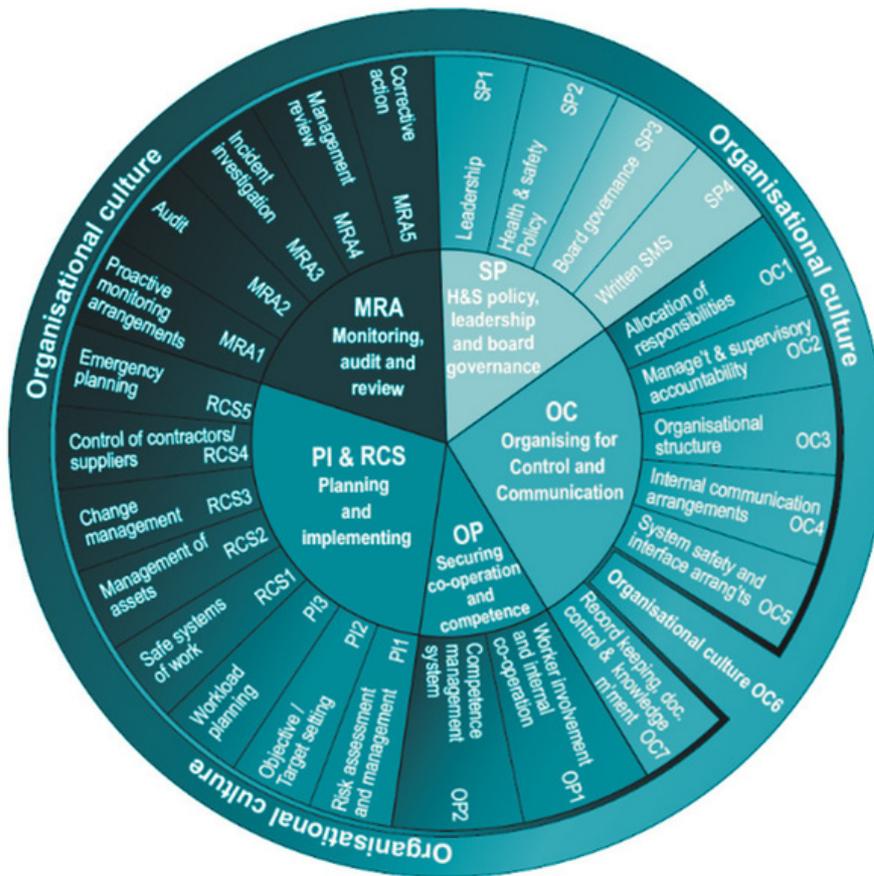


Figure 13: ORR RM3 Model

This written SMS is structured based on the Office Rail and Road (ORR) RM3 model and broken down into the RM3 categories to make sure all key areas are covered. Each area is linked to relevant procedures and contains a summary of how SYMCA oversees SYFTL's operation and maintenance of the tram network. This is to ensure that H&S risks are managed with opportunities for improvement identified for year-on-year H&S performance improvement.

This document will be amended as necessary to incorporate any changes to SYMCA governance and the tramway as they occur.

5.4 Investment and Delivery

Some initiatives we plan to introduce as part of the delivery plan include:

- Improved and consistent leadership and colleague safety training
- The development of clear safety principles and rules of engagement for safety
- A commitment to improving safety standards across the business and between supplier and stakeholder partners
- Improving health and safety on depots to better manage high-risk engineering activities with a focus on tram vehicle movements, electrical safety and lifting operations
- The continued investment in 40 body-worn cameras for use by front line Conductor Grades focussed around reducing incidents and assaults on board services

6. The delivery plan 2024-25

Under the Operating Agreement the South Yorkshire Supertram business will have to annually agree a delivery plan with the MCA (as client). Appendix 2 shows the relationship between the plans.

6.1 Operational Goals

The delivery plan will include Operational Goals which are aligned to the wider Supertram Business Plan 2024/25.

The Goals are driven partly from the comparison between how the business has been managed historically and what a 'good' tram-operating business looks like and partly by a need to introduce a new set of shared services and systems to support the new business and replace support previously provided to it by Stagecoach.

The Operational Goals for 2024/25 have been identified as:

1. To ensure compliance with the operational / regulatory specification mandated by the regulator, the Office of Rail and Road (ORR) and other tram regulatory bodies to underpin safety and compliance.
2. To deliver an operationally robust, safe, and reliable tram service.
3. To restore customers' and stakeholders' confidence in the tram network, visibly improving customer experience.
4. To develop an improved, safe, and vibrant place to work for colleagues.
5. To provide value for money to the taxpayer, including financial prudence, growth in patronage, revenue protection or cost savings.
6. Integrate and enable more sustainable journeys in South Yorkshire. Integrate the tram business and network with bus, active travel, park and ride, to enable people to make more sustainable journeys: 'The First and Last Mile'.

The delivery plan in year 1 is designed to take control of the new business and build trust, whilst beginning the process of preparing the tram operation for growth. The South Yorkshire Supertram operational delivery approach is to:

- *Deliver the best possible service* for our customers, working together with multi-modal industry partners, active travel and our regional stakeholders to drive a safe, accountable and net-zero operation.
- *Deliver our commitments*, carefully developing efficiencies which manage cost and offer better value for money to customers and taxpayers in our region.
- *Identify opportunities* to remove cost as passenger numbers recover, whilst creating the environment for and a business plan for growth.

6.2 Key Performance Indicators / Initiatives

The Key Performance Indicators (KPIs) provide the metrics by which the MCA will measure and manage the success of the tram operating business through its Governance Board. These KPIs provide the measure of progress towards which the business is achieving the Operational Goals and are grouped into four focus areas, these being:

- Safety and Compliance
- Customer and Insight
- Service Performance
- People and Organisation

Specific KPI's will be developed as part of the delivery plan developed by the tram business. The suggested KPIs that will be adopted for 2024/25 and that will hold the business to account are detailed in Appendix 1.

KPIs will be set as part of the SYFTL Governance Board process and continue to be measured and managed through reporting processes of that board (see 3.1.1). The aim will be to develop a clear and transparent process to drive safe operation, improvement, and efficiency gains. The business organisational structure reflects the focus areas to enable identification of ownership for KPIs and associated business planning initiatives

The delivery plan for the first year of the new operation will also incorporate the new company initiatives that will deliver a safe and seamless transition. These initiatives and KPIs will be developed jointly between SYMCA and South Yorkshire Supertram, all subsequent annual delivery plans will be developed by South Yorkshire Supertram for SYMCA approval. The KPIs for each year will be based on the Operating Agreement requirements and be likely set and based on improvements to the previous year's performance, or new delivery plan initiatives which demonstrate safety, efficiency, growth or policy improvements.

A brief summary of the headline initiatives is contained in Appendix 2.

6.3 Delivery Planning Themes

6.3.1 Leadership, Management and Resourcing

One aim in developing the delivery plan is to build an agile organisation with a diverse, inclusive workforce that develops the talent we need to provide an improved and safe service to customers as we identify and maximise local opportunities and prepare the business to take on the challenges of the future. Our plans focus on delivering change that builds a sustainable future for light rail in our region.

- We will deliver this through the long-standing light rail experience of the business to build a team of engaged leaders and colleagues. People who understand the complex transport challenges of the region. Their experience allows us to build on the position of South Yorkshire Supertram as a trusted partner to the communities we serve.
- We will encourage and develop an organisational culture of collaboration and common purpose, working with our communities and our customers to deliver, where required, infrastructure and upgrades on the network whilst we rebalance the business to changing travel and ticket purchase patterns.
- We will keep our employees and customers safe and ensure we have robust plans in place for continuous improvement. We will work with the British Transport Police to increase visibility and support as well as travel partners at key inter-modal interchanges such as Meadowhall, Parkway, Rotherham, and Sheffield Station to reduce crime and improve colleague safety.

6.3.2 Our People and Organisation Plan

Approximately 350 employees will TUPE across to the new business from the current tram operation managed by Stagecoach. This includes a current leadership team that is detailed below:

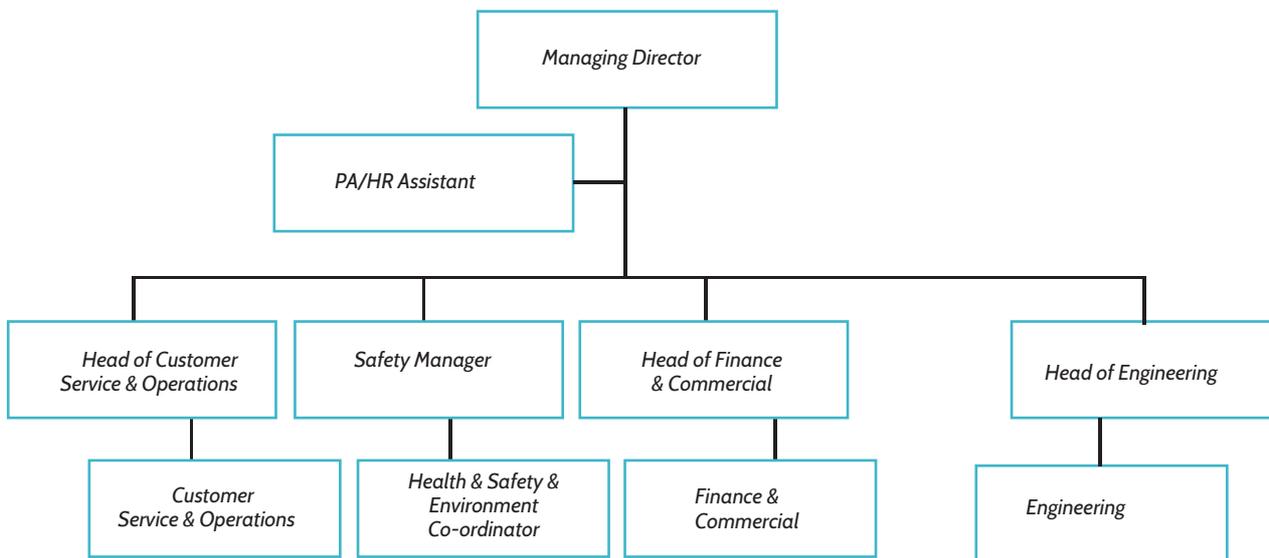


Figure 12: Management structure Supertram as of November 2023 which supports the c.350 staff members who will TUPE across

In order to continue to improve the customer experience through our people we will ensure that our colleagues are increasingly trained, rewarded, engaged and empowered to deliver change. We want to ensure that the right leadership is in place to deliver on the business goals and KPIs within the Operating Agreement of the tram business and establish a culture of success for all stakeholders involved.

We are committed to creating a more sustainable employment model. One which improves retention, rewards long service, improves efficiency through new technology and process improvement, and is better aligned to colleagues and overall customer needs. We plan to support this at the right time of the plan by looking at opportunities with apprentices and will continue to support and embrace job share and flexible work opportunities where this allows.

We will identify opportunities to invest in our colleagues' wellbeing, development, and recognition to maintain high levels of engagement. We will identify opportunities to deliver an improving customer experience through our people, and investments in key customer touch points such as onboard ticket machines, app and website support. In addition, we will continue to invest where appropriate in new staff facilities and training.

Through a Diversity and Inclusion strategy, we will ensure we recruit and develop talent from across the region and the different communities we serve.

6.3.3 Re-valuing Tram in the Hearts and Minds of Customers

Integral to the operational delivery approach will also be a drive to better understand our customers as new travel patterns evolve post the pandemic. Our Supertram colleagues already do their best to deliver for customers.

The aim of the delivery plan and the core initiatives within it is to continue to embed a customer centric approach through clear strategy and process. Over subsequent years the aim will be to innovate and think differently about the opportunities for greater transport integration, understand more about customers and their travel patterns and deliver transport that meets their individual needs.

We want customers to revalue the tram and to win over the hearts and minds of the travelling public. As the tram business builds a firm foundation under new governance and ownership, our focus will turn towards exploiting new growth opportunities to return additional value to the taxpayer, drive efficiency and deliver sustainable growth. In doing so, the year 1 delivery plan will seek to re-position tram as part of a wider and integrated public transport offer.

Appendices Overleaf

Appendix 1: Key Performance Indicators

Appendix 2: Annual Delivery Plan Initiatives

Appendix 1: Key Performance Indicators

The key performance indicators are a core part of the delivery plan and the governance approach to the management of the business of the new business as SYMCA take control and builds trust in the new operation, whilst preparing it for future growth.

Figure a) Key performance indicators linked to overall strategic objectives and core business plan focus areas.

Focus Areas	Strategic Objectives	Key Performance Indicator						
Safety and Compliance	Proactive Safety	Safety Audits	Leadership Interventions	Incident Reporting	Close out of Non-Conformancies	Safety Briefings	Safety Culture	
	Reactive Safety	RIDDOR Reportable Incidents	Staff Accidents	Passenger Accidents	Assaults			
	Environmental	GHG Emissions (Traction Power)	GHG Emissions (non-Traction Power)	Waste to Landfill				
	Quality	Quality Audits	Non-Conformancies Identified	Close out of Non-Conformancies				
	Customer Experience	Satisfaction	Patronage	Complaints	First Response Time	Resolution Time	Mystery Shopper	
Customer and Insight	Customer Communications	Website Hits	Social Media Following	Campaigns Delivered	Announcements Made			
	Timetable Delivery	Trips Completed vs Planned	Kilometres Lost Due to Driver Availability	First and Last Trams on Time	Driver Turnover	Driver Sickness		
	Revenue Collection	Fares Not Collected	Timetabled Kilometres Operated Without Conductor	On Tram vs Off Tram Sales	Conductor Turnover	Conductor Sickness		
	Vehicle Maintenance	KM Lost Due to Vehicle Availability	Planned Maintenance Delivered in Period (%)	Reactive Maintenance Delivered in Period (%)	Open Work Orders	MDBSF	KM Lost Due to Vehicle Availability	
Service Performance	Infrastructure Maintenance	Planned Maintenance Delivered in Period (%)	Reactive Maintenance Delivered in Period (%)	Open Work Orders	KM Lost Due to Infrastructure Faults			
	Cleaning	Tram Daily Cleans vs Planned (%)	Tram Deep Cleans vs Planned (%)	Tram Stop Daily Cleans vs Planned (%)	Tram Stop Deep Cleans vs Planned (%)	Reactive Work Orders Close Out Time (avg)		
	Engagement	Staff Turnover (%)	Staff Sickness & Absence (%)	Staff Engagement Survey Results				
	Development	PDP's Delivered (vs Planned)	Internal Promotions (no)	Training Days Achieved (vs Planned)				
People & Organisation	Competency	Overall Number of Competencies Out of Date	Safety Critical Competencies Out of Date					

Appendix 2: Annual Delivery Plan Initiatives

These goals and initiatives remain part of the live mobilisation of the current Stagecoach owned business; further details of the delivery plan the goals, initiatives and KPIs will be developed as they become available. Some of the measures suggested below may also impact and influence the ongoing positive communications with Unions regarding TUPE arrangements and staffing prior to transfer.

Figure b) Core measures and interdependencies

OPERATIONAL GOALS	ASSOCIATED KEY PERFORMANCE INDICATORS (KPIs)	OPERATIONAL BUSINESS PLAN INITIATIVES	SUPPORTED BY INITIATIVE OWNER	CONTRACTUAL OBLIGATIONS
TO ENSURE COMPLIANCE WITH THE OPERATIONAL / REGULATORY SPECIFICATION SET OUT BY THE ORR AND OTHER TRAM REGULATORY BODIES TO UNDERPIN SAFETY AND COMPLIANCE.	PRO-ACTIVE AND REACTIVE INDICATORS	INTRODUCTION OF NEW POSTS, NEW MODELS/SMS, TAIR	CONCESSION END TEAM / SYFTL HEAD OF SHEQ	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
	% DELIVERY OF PLANNED MAINTENANCE	INTRODUCTION OF ASSET MANAGEMENT SYSTEM	SYFTL HEAD OF ENGINEERING TO DEVELOP FUNCTIONALITY AND PROCESSES TO ENSURE MAXIMUM BENEFIT / EFFICIENCY	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
TO DELIVER AN OPERATIONALLY ROBUST, SAFE AND RELIABLE TRAM SERVICE	% DELIVERY OF REACTIVE MAINTENANCE	INTRODUCTION OF HR SYSTEM, INTRODUCTION OF ASSET MANAGEMENT SYSTEM	SYFTL HEAD OF SHEQ	POTENTIAL TO INCLUDE ISO 14001 AS A COMMITTED OBLIGATION
	% DELIVERY OF CLEANING PLAN	ORGANISATION STRUCTURE, GAP ANALYSIS & RECRUITMENT	FINANCE DIRECTOR	ANNUAL DELIVERY PLAN
TO RESTORE CUSTOMERS' AND STAKEHOLDERS' CONFIDENCE IN THE TRAM NETWORK, VISIBLY IMPROVING CUSTOMER EXPERIENCE	OUTSTANDING WORK ORDERS	INTRODUCTION OF NEW POSTS, IMPROVED COMPETENCY MANAGEMENT PROCESS, INTRODUCTION OF HR SYSTEM, INTRODUCTION OF ASSET MANAGEMENT SYSTEM	SYFTL HEAD OF ENGINEERING / SYFTL HEAD OF HR	DELIVERY OF SUPPORT INITIATIVES WITHIN MOBILISATION PLAN AND 100 DAY PLAN
	GHG EMISSIONS	ORGANISATION STRUCTURE, GAP ANALYSIS & RECRUITMENT	MD	DELIVERED AS PART OF MOBILISATION PLAN
TO DEVELOP AN IMPROVED, SAFE AND VIBRANT PLACE TO WORK FOR COLLEAGUES	WASTE TO LANDFILL	INTRODUCTION OF SMS	SYFTL HEAD OF SHEQ	DELIVERED AS PART OF 100 DAY PLAN
	% DELIVERY OF COMMITTED OBLIGATIONS / CORE PROJECTS	INTRODUCTION OF QMS	SYFTL HEAD OF SHEQ	DELIVERED AS PART OF 100 DAY PLAN
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	% OF TIME TABLE DELIVERED	INTRODUCTION OF EMS	FINANCE DIRECTOR	DELIVERED AS PART OF MOBILISATION PLAN
	LOST KILOMETRES	INTRODUCTION OF REPLACEMENT HR SYSTEM	SYFTL HEAD OF SERVICE DELIVERY	DELIVERED AS PART OF MOBILISATION PLAN
TO DEVELOP AN IMPROVED, SAFE AND VIBRANT PLACE TO WORK FOR COLLEAGUES	SAFETY AUDITS COMPLETED (vs PLANNED)	INTRODUCTION OF DMS	SYFTL HEAD OF ENGINEERING	DELIVERED AS PART OF 100 DAY PLAN
	SAFETY INCIDENTS	INTRODUCTION OF PMS RISK MANAGEMENT TOOL	SYFTL HEAD OF ENGINEERING	DELIVERED AS PART OF 100 DAY PLAN
TO RESTORE CUSTOMERS' AND STAKEHOLDERS' CONFIDENCE IN THE TRAM NETWORK, VISIBLY IMPROVING CUSTOMER EXPERIENCE	SAFETY INCIDENTS	STAFF ENGAGEMENT, INTRODUCTION OF DAS, INTRODUCTION OF AVL	SYFTL HEAD OF ENGINEERING	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
	SAFETY INCIDENTS	STAFF ENGAGEMENT, INTRODUCTION OF RPT'S	SYFTL HEAD OF ENGINEERING	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
TO DEVELOP AN IMPROVED, SAFE AND VIBRANT PLACE TO WORK FOR COLLEAGUES	STAFF TURNOVER	NEW MODEL/SMS	SYFTL HEAD OF SHEQ	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
	STAFF SICKNESS	NEW MODEL/SMS, RM3, TAIR, IMPROVED RISK ASSESSMENT AND INCIDENT TRAINING, SAFETY LEADERSHIP & CULTURE TRAINING	SYFTL HEAD OF SHEQ / SYFTL HEAD OF HR	INTRODUCTION WITHIN 100 DAY PLAN
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	STAFF DEVELOPMENT (POP'S)	NEW MODEL/SMS, RM3, TAIR	SYFTL HEAD OF SHEQ	ONGOING DELIVERY AS KPI'S WITHIN ANNUAL DELIVERY PLAN
	PATRONAGE GROWTH	STAFF ENGAGEMENT, NEW HR SYSTEM	SYFTL HEAD OF SHEQ / SYFTL HEAD OF HR	
TO RESTORE CUSTOMERS' AND STAKEHOLDERS' CONFIDENCE IN THE TRAM NETWORK, VISIBLY IMPROVING CUSTOMER EXPERIENCE	ON-TIME DELIVERY OF MARKETING PLAN	STAFF ENGAGEMENT, NEW ACCOMMODATION, STAFF ENGAGEMENT	SYFTL HEAD OF HR	
	ON-TIME DELIVERY OF CUSTOMER PLAN	INTRODUCTION OF POP'S	SYFTL HEAD OF HR	
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	UNCOLLECTED REVENUE (%)	MARKETING AND COMMS DEVELOPMENT INITIATIVES, IMPROVED REVENUE ANALYSIS & FORECASTING, REVENUE GROWTH STRATEGY	SYFTL HEAD OF CUSTOMER, MARKETING & COMMS	AGREEMENT OBLIGATION, DELIVERY OF PLAN TO BE ADOPTED AS A KPI
	TRIPS OPERATED WITHOUT A CONDUCTOR	REPLACEMENT HTM, MARKETING (WEBSITE & APP), PROFILING RESEARCH, DELIVERY OF STRATEGY	SYFTL HEAD OF SERVICE DELIVERY	PATRONAGE GROWTH TO BE INCLUDED WITHIN ANNUAL PLAN AS A KPI IN ANNUAL DELIVERY PLAN
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	% DELIVERY OF PLANNED MAINTENANCE	STAFF ENGAGEMENT, FARE NON-COLLECTION SURVEY	SYFTL HEAD OF ENGINEERING	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
	PATRONAGE GROWTH	MARKETING AND COMMS DEVELOPMENT INITIATIVES, IMPROVED REVENUE ANALYSIS & FORECASTING, REVENUE GROWTH STRATEGY	SYFTL HEAD OF ENGINEERING	KPI INCLUDED WITHIN ANNUAL DELIVERY PLAN
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	CUSTOMER SATISFACTION	INTRODUCTION OF NEW POSTS, CUSTOMER RESEARCH AND DATA ANALYSIS, CUSTOMER PLAN, HOUSEKEEPING	CONCESSION END TEAM / SYFTL MANAGEMENT TEAM	ANNUAL MARKETING / COMMS / CUSTOMER PLAN REQUIRED AS APPENDIX TO ANNUAL DELIVERY PLAN
	MYSTERY SHOPPER			
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	CUSTOMER SURVEY			
	CUSTOMER COMPLAINTS			
TO PROVIDE VALUE FOR MONEY TO THE TAPPAYER, INCLUDING FINANCIAL PRUDENCE, GROWTH IN PATRONAGE, REVENUE PROTECTION OR COST SAVINGS	CUSTOMER POSITIVE FEEDBACK			



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