



#plymcabinet

Democratic and Member Support

Chief Executive's Department
Plymouth City Council
Ballard House
Plymouth PL1 3BJ

Please ask for Amelia Boulter
T 01752 304570
E amelia.boulter@plymouth.gov.uk
www.plymouth.gov.uk/democracy
Published 12 January 2017

Cabinet - Supplement

Tuesday 17 January 2017
4.00 pm
Council House, Plymouth

Members:

Councillor Bowyer, Chair

Councillor Nicholson, Vice Chair

Councillors Mrs Beer, Mrs Bowyer, Darcy, Downie, Jordan, Michael Leaves, Ricketts and Riley.

Members are invited to attend the above meeting to consider the items of business overleaf.

This agenda acts as notice that Cabinet will be considering business in private if items are included in Part II of the agenda.

This meeting will be broadcast live to the internet and will be capable of subsequent repeated viewing. By entering the Warspite Room and during the course of the meeting, Councillors are consenting to being filmed and to the use of those recordings for webcasting.

The Council is a data controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with authority's published policy.

For further information on webcasting, attending Council meetings and how to engage in the democratic process please follow this link <http://www.plymouth.gov.uk/accesstomeetings>

Tracey Lee

Chief Executive

Cabinet

- 7. Council Tax Support Scheme (Scrutiny Recommendations) (Pages 1 - 2)**
- 8. Tamar Bridge and Torpoint Ferry - 2017/18 Revenue Estimates and Capital Programme: (Pages 3 - 38)**

COUNCIL TAX SUPPORT SCHEME

Scrutiny - Draft Recommendations



I. Context

- 1.1. On the 30 November 2016 and the 11 January 2017 a Scrutiny Select Committee was convened at the request of Councillor Chris Penberthy to consider the Council Tax Support Scheme 2017-18.
- 1.2. The Committee considered a report concerning new proposals to amend the scheme and subsequent consultation with the public.
- 1.3. The Committee also considered the extensive witness testimony and written submission from the Plymouth Citizens Advice Bureau (CAB), which outlined what the CAB considered would be the impact on citizens as a result of the changes.
- 1.4. Following debate members of the Select Committee agreed the following recommendations.

Draft recommendations

Agreed -

1. To support the portfolio holders view that proposals 1 (Removing the Family Premium for all new working age claimants) and proposal 6 (To limit the number of dependent children within the calculation for Council Tax Support to a maximum of 2) are not implemented as part of the scheme.
2. That scrutiny would review the operation of the scheme and any proposed changes for the 18-19 scheme in the new municipal year.

In addition, recommend to cabinet that –

3. Proposal 2 (reducing the number of back dating claims to one month) is not implemented as part of the council tax support scheme and that officer discretion is retained.
4. Proposal 3 (To assume a set minimum income within the calculation of Council Tax Support for self-employed earners after 1-year self-employment) and Proposal 5 (To remove the work related activity component in the calculation of the current scheme for new Employed and Support claimants) should be delayed until 2018-19
5. With regard to proposal 4 (reducing the period a person can be absent from Great Britain and still receive Council Tax support to four weeks) the Committee recommends that cabinet consider advice from the Citizens that acceptable exclusions are made (for example recognized medical treatment overseas).

This page is intentionally left blank

Cornwall Council

Report to: **Tamar Bridge & Torpoint Ferry Joint Committee**

Date: **24th November 2016**

Title: **2017/18 Revenue Estimates & Capital Programme**

Portfolio Area **Transport & Waste**

Divisions Affected **All**

Relevant Scrutiny Committee: **Scrutiny Management Committee**

Relevant Portfolio Advisory Committee (Cabinet (executive) decisions):
Transport & Waste

Key Decision: **N** Approval and clearance obtained: **Y**

Urgent Decision: **N** Date next steps can be taken: **N/A**
(e.g. referral on of recommendation or implementation of substantive decision)

Appropriate pre-decision notification given where an executive Decision? **Y**

Author: **Julia Harvey** Role: **Service Accountant**
Andrew Vallance **Business Manager**

Contact: **01872 324944** jaharvey@cornwall.gov.uk
01752 361577 andrew.vallance@tamarcrossings.org.uk

Recommendations:

The Joint Committee recommends that the constituent authorities approve:

1. the proposed revenue budget for 2017/18 as set out in Appendix 1;
2. the proposed capital programme as set out in Appendix 2; and
3. that the longer term forecast to 2020/21 be noted.

Cornwall Council

1. Executive summary

This report sets out for consideration and approval, the proposed revenue estimates (budget) for the Joint Committee for 2017/18 and indicative figures for the subsequent three years 2018/19, 2019/20 and 2020/21, together with the proposed capital programme.

The reserve position at 31 March 2018 is forecast to be £3.872m. Indicatively, future years show that the reserve position will then decrease year on year dropping below £2.000m during 2019/20.

2. Background

The Tamar Bridge and Torpoint Ferry (TBTF) are operated, maintained and improved jointly by Plymouth City Council and Cornwall Council on a 'user pays' principle, being funded by toll income using powers derived from the Tamar Bridge Act. The finances of the joint undertaking are effectively ring-fenced by the Act and it is operated as a self-financing business.

The reserve balance at the beginning of this financial year stood at £3.923m.

3. Outcomes/outputs

Key Assumptions

The figures presented in this report include a number of adjustments to the financial model, to take account of changes in capital expenditure and related financing arrangements and to reflect current economic conditions for cost inflation and interest rates. The forecast cost of long term capital financing is currently anticipated at 4.53%. The forecast levels of general inflation and short term interest rates applicable to the funds held by the Joint Committee are now assumed as follows:

Rates	2017/18	2018/19	2019/20	2020/21
Inflation	2.00%	2.00%	2.00%	2.00%
Interest (Receivable)	0.25%	1.00%	1.00%	1.00%
Interest (Payable)	4.53%	4.53%	4.53%	4.53%

Cornwall Council

Revenue Budget and Summary of Variations

The proposed revenue budget is set out in Appendix 1. The variations between the latest 2016/17 forecast and the proposed 2017/18 budget are listed on page 5 of Appendix 1 – the later years covered by the revenue figures are indicative.

Some of the more significant items affecting the proposed budget are as follows:

Corporate

- Reduction in bank charges of £0.025m due to merchant provider costs expected to reduce.
- A £0.040m reduction in Tag Statement production through bringing the process in house.
- Removal of the £0.020m contribution for the Plymouth City Council park and ride study.

An increase to income has been applied at the Ferry only. Any increase of income at the Bridge is likely to be affected by major works required for the suspension system remedial works and kerb and waterproofing improvements and therefore the Bridge income level remains static.

Bridge

The revenue budget makes provision for the ongoing maintenance and operation of the bridge and its infrastructure in line with current engineering best practice. The main changes from the previous year are:

- An increase of £0.580m for the toll equipment refit project costs consolidating budget provision over several years and representing an overall reduction in anticipated costs.
- An increase of £0.128m for IT server software and installation of PC hardware in relation to the new office development
- Reinstatement of £0.072m in respect of Grounds Maintenance following delay in works during 2016/17
- Removal of £0.050m increase to the 2015/16 budget for additional painting to cover hand strand, main cable and other areas not included within capital spend.

Cornwall Council

Ferry

The revenue budget also makes provision for the ongoing maintenance and operation of the ferries and their associated infrastructure in line with current engineering best practice. The main changes from the previous year are:

- Additional £0.175m provision to carry out stabilisation works to the yard rock face, further discussion is required to establish whether this is capital work.
- Additional £0.097m staffing and salary costs for pay award increases, increments, NI and superannuation rate increases
- Additional £0.075m to allow for slipway grouting works within Shore Infrastructure.
- Addition of £0.050m for Ferry Refit to carry out preliminary works and to contract professional support for the tender specification
- Additional £0.040m for IT server software and installation of PC hardware in line with improvements at the new office development

Capital Programme

The proposed capital programme is shown in Appendix 2. The projects detailed under 'Current Programme' have already been approved.

Bridge Resurfacing Works – Phase 2 has been included under Future Programme and remains within the future years' indicative budget, for information only.

Work has now been undertaken by officers to assess the current capital programme and the revised estimate for 2016/17 is now anticipated at £1.355m, a reduction of £2.795m. In general, this reduction in the current year has been re-profiled across future years.

- Bridge Protective Coating – The scheme has been re-profiled and expected to now complete during 2018/19
- Bridge Structure Monitoring System – This £0.100m scheme is now due to be completed within 2017/18
- Bridge Office Development – Details of increased costs and have been provided in the General Managers report. An increase in total forecast cost from £3.970m to £4.700m has been incorporated into

Cornwall Council

the capital programme for approval. The scheme has been profiled with the majority of expenditure during 2017/18 and 2018/19.

- Bridge Kerb Units and Waterproofing Improvements has been re-profiled with the majority of expenditure to now take place during 2017/18 and 2018/19. The forecast remains at £3.850m.
- Suspension System Remedial Works - £6.000m has been added to the capital programme for approval and expenditure will take place during 2017/18 and 2018/19. Details of the scheme have been provided in a separate report.
- Bridge Resurfacing Works have been included in the capital programme for 2018/19 and 2019/20 and remain for information only at this stage.

In response to Members comments on the financing of the capital programme, a workshop was held on 27 May 2016 to explore the differing financial implications of using borrowing, reserves or revenue contributions. It is recommended that large scale capital projects, such as the Suspension System Remedial works programme as outlined above, are funded from borrowing. To fund the cost of the project from revenue or reserves would have a significant impact and require a toll review.

Following the recommendations from the workshop, officers continue to review the capital programme and identify smaller scale work that could be funded from in year revenue underspends, or reserves, without significantly advancing the timing of the critical forecast reserves position.

Reserves

The reserve position as at the 31 March 2018 (Appendix 3) is forecast to be £3.872m. Indicatively, future years show that the reserve position will decrease year on year. The forecast 2018/19 end of year reserve position is £2.489m and the 2019/20 forecast outturn is for a further reduction to £0.443m. These forecasts assume no increase in tolls but suitable changes effective in April 2019 would ensure that the reserve level remains above £2.000m.

4. Options available and consideration of risk

This budget paper sets out the financial plan of the Joint Committee for 2016/17 and indicative future years. This enables consideration of the balances available, informs decision making and enables risks to be appropriately managed.

5. Proposed Way Forward

Cornwall Council

The decision is sought that the Joint Committee recommends that the constituent authorities approve:

1. the proposed revenue budget for 2017/18 as set out in Appendix 1;
2. the proposed capital programme as set out in Appendix 2; and
3. That the longer term forecast to 2020/21 be noted.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	None arising directly from this report.
Financial	N	The financial implications are as set out in the body of this report. The Joint Committee needs to be mindful of the need to operate within the agreed minimum level of reserves of £2m.
Risk		A risk register and mitigation measures are included in the Tamar Bridge & Torpoint Ferry Business Plan 2015-2019.
Comprehensive Impact Assessment Implications		
Equality and Diversity		There are no Equality and Diversity implications associated with this report.
Safeguarding		There are no Safeguarding implications associated with this report.
Information Management		There are no Information Management implications associated with this report.
Community Safety, Crime and Disorder		This report has no impact upon crime and disorder reduction.
Health, Safety and Wellbeing		There are no Health, Safety and Wellbeing implications associated with this report.
Other implications		None.

Cornwall Council

Supporting Information

Appendices:

Appendix 1 Revenue Estimates 2016/17 (revised) and 2017/18 and indicative projections for 2018/19-2020/21

Appendix 2 Capital Programme 2016/17 to 2020/21

Appendix 3 Statement of Estimated Reserves 2016/17 to 2020/21

Background Papers:

None.

Approval and clearance of report

All reports:

Final report sign offs	This report has been cleared by OR not significant/not required	Date
Legal (if significant/required)	Simon Mansell	16.11.16
Finance Required for all reports	Leah Thomas, Interim Strategic Finance Manager	17.11.2016
Equality and Diversity	Not required	

**Revenue Budget 2017/18
and Indicative Projections for 2018/19 to 2020/2021**

<i>Overall Summary</i>	<i>Page 1</i>
<i>Corporate Estimates</i>	<i>Page 2</i>
<i>Bridge Operation Estimates</i>	<i>Page 3</i>
<i>Ferry Operation Estimates</i>	<i>Page 4</i>
<i>Analysis of Variations</i>	<i>Page 5</i>

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

OVERALL SUMMARY	2016/17 Original Budget £'000	2016/17 Revised Forecast £' 000	2017/18 Budget £' 000	2018/19 Indicative £' 000	2019/20 Indicative £' 000	2020/21 Indicative £' 000
Operational Summary						
Income	(11,046)	(11,205)	(11,218)	(11,201)	(11,187)	(11,388)
Expenditure						
Corporate	429	457	382	465	397	405
Bridge Operations	3,528	3,378	4,234	3,531	3,589	3,637
Ferry Operations	4,810	4,749	5,264	5,796	5,904	5,971
	8,767	8,584	9,880	9,792	9,890	10,013
Operating (Surplus)/Deficit	(2,279)	(2,621)	(1,338)	(1,409)	(1,297)	(1,375)
Interest on CC financing	903	867	1,017	1,367	1,558	1,533
Interest on Joint Committee balances	(6)	(6)	(6)	(24)	(24)	(14)
Capital Expenditure financed from Revenue	0	0	0	0	0	0
Contribution to CC MRP	1,048	1,042	1,096	1,449	1,809	1,914
Overall (Surplus)/Deficit on Undertaking	(334)	(718)	769	1,383	2,046	2,058
Reserve Balance brought forward	(2,845)	(3,923)	(4,641)	(3,872)	(2,489)	(443)
Reserve Balance carried forward	(3,179)	(4,641)	(3,872)	(2,489)	(443)	1,615

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CORPORATE	2016/17 Original Budget £'000	2016/17 Revised Forecast £' 000	2017/18 Budget £' 000	2018/19 Indicative £' 000	2019/20 Indicative £' 000	2020/21 Indicative £' 000
INCOME						
Tolls						
Toll income - Bridge	(4,925)	(5,064)	(5,064)	(5,064)	(5,064)	(5,166)
Toll income - Ferry	(659)	(659)	(666)	(673)	(673)	(673)
Concessionary toll income - Bridge	(3,996)	(4,015)	(4,015)	(4,015)	(4,015)	(4,096)
Concessionary toll income - Ferry	(519)	(519)	(524)	(529)	(529)	(529)
	(10,099)	(10,257)	(10,269)	(10,281)	(10,281)	(10,464)
Other						
Tag Account Fee	(506)	(506)	(506)	(506)	(506)	(516)
Saltash Tunnel control	(333)	(324)	(327)	(330)	(333)	(340)
Tag statements	(1)	(4)	(2)	0	0	0
Other income	(107)	(114)	(114)	(84)	(67)	(68)
	(947)	(948)	(949)	(920)	(906)	(924)
TOTAL INCOME	(11,046)	(11,205)	(11,218)	(11,201)	(11,187)	(11,388)
EXPENDITURE						
Other Expenditure						
Support services	50	62	63	65	66	67
Tag statements	28	55	16	16	17	17
Purchase of tags	203	203	208	212	216	220
Bank charges	78	78	54	55	56	57
Internal Audit fees	8	8	8	8	8	9
External Audit fees	11	0	0	0	0	0
Consultants	31	31	32	33	33	34
Professional Fees	20	20	1	1	1	1
Cost of Toll Review	0	0	0	75	0	0
TOTAL EXPENDITURE	429	457	382	465	397	405

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

BRIDGE OPERATIONS	2016/17 Original Budget £'000	2016/17 Revised Forecast £' 000	2017/18 Budget £' 000	2018/19 Indicative £' 000	2019/20 Indicative £' 000	2020/21 Indicative £' 000
Employees						
Salaries and wages	918	975	1,011	1,028	1,046	1,067
Agency staff	20	60	21	22	22	22
Indirect employee expenses	16	18	21	21	22	23
Premises						
Repair and maintenance - buildings & grounds	135	58	130	75	56	58
Repair and maintenance - bridge & infrastructure	479	579	541	551	562	574
Bridge & gantry inspections	269	269	274	279	285	291
Energy costs, water, rent and rates	71	71	73	74	76	77
Insurances	67	27	27	28	28	29
Other premises costs	16	16	16	36	36	37
Transport Related Expenses						
Staff travel	31	16	17	17	17	18
Supplies & Services						
Operational expenses	481	292	909	339	346	356
Office expenses	272	293	476	330	337	303
Toll collection & banking	538	508	528	559	581	604
Breakdown recovery	134	134	137	140	142	145
Other expenses	43	41	43	22	23	23
Support service charges	38	21	10	10	10	10
Net Expenditure - Bridge Operations	3,528	3,378	4,234	3,531	3,589	3,637

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

FERRY OPERATIONS	2016/17 Original Budget £'000	2016/17 Revised Forecast £' 000	2017/18 Budget £' 000	2018/19 Indicative £' 000	2019/20 Indicative £' 000	2020/21 Indicative £' 000
Employees						
Salaries and wages	2,864	2,952	3,049	3,101	3,154	3,217
Agency staff	26	75	52	20	20	21
Indirect employee expenses	64	108	112	73	75	76
Premises						
Repair and maintenance - buildings & grounds	90	59	260	240	245	250
Energy costs, water, rent and rates	79	77	79	80	82	84
Other premises costs	67	70	72	74	75	77
Transport Related Expenses						
Staff travel	20	27	28	28	29	29
Supplies & Services						
Repair & maintenance - ferries & infrastructure	747	540	626	563	575	586
Annual refit - ferries	0	0	50	751	766	731
Fuel costs (Marine Gas Oil)	245	245	245	250	255	260
Insurances	117	122	124	127	129	132
Operational expenses	201	201	211	155	158	161
Office expenses	219	226	306	284	289	295
Other expenses	24	21	23	23	24	24
Support service charges	47	26	27	27	28	28
Net Expenditure - Ferry Operations	4,810	4,749	5,264	5,796	5,904	5,971

Variations between the Revised 2016/17 and 2017/18 Original Estimates

The variation of £1.487m between the revised estimated overall net surplus for 2016/2017 of £0.718m and the 2017/2018 estimated overall net cost of £0.769m is accounted for as follows:

	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Corporate			
Inflation for prices (net)	10		
Reduction in Bank Charges of £25k in merchant provider costs	(25)		
Tag Statement Production reduction of £40k costs due to processing in house	(40)		
Professional Fees reduction of £20k, removal of contribution to Park & Ride study	(20)		
Reduction of Tag Statement Income assuming provision of statements ceasing in 2017-18	2		
Increase in Cash Toll (Ferry), anticipated increase to Bridge closures	(7)		
Increase in Tag Toll (Ferry), anticipated increase related to Bridge closures	(5)		
Increase in Saltash Tunnel Income, 1% Infl	(3)		
	<hr/>	(88)	
Bridge			
Increases for pay awards, increments, Ni and Superann rates etc.	36		
Reduction in agency staff costs - stability of workforce	(39)		
HSE Training provision	3		
Removal of R&M Painting to cover handstrand, main cable and other areas not within capital spend added in 2015-16	(50)		
Reinstatement of budget in 2017/18 following delay to works in 2016/17	72		
New and upgraded CCTV systems	25		
Health & Safety equipment, increase provision for new office development - fire safety equipment	3		
Rebranding of uniforms	2		
New furniture requirements for new office development	30		
Increase for toll equipment refit project costs consolidating budget provision over several years	580		
Toll e-cash processing solution	10		
IT server software and instal of PC hardware for new office development	128		
Additional line rental costs for new telephone system re new office development	25		
Reduction for removal of redundant broadband connections	(5)		
Inflation for goods and services	45		
Small increase in conference and hotel expenses	2		
Reduction in remaining provision of HR support provided by Plymouth City Council	(11)		
	<hr/>	856	
Ferry			
Increases for pay award, increments, NI and Superann rates.	97		
Agency staff, removal of 16/17 charge for temporary HR support	(25)		
Grounds Maintenance increase required for flat roof, windows & workshop	25		
Additional provision to carry out stabilisation works to the yard rock-face	175		
Shore Infrastructure Repairs and Maintenance increase for Slipway grouting	75		
Ferry Refit - preliminary works, long lead equipment and professional support for tender specification	50		
Uniforms and clothing reduction	(10)		
Toll Equipment refit costs	15		
New DMS and associated processes	10		
IT server software and instal of PC hardware upgraded for new office development	40		
Additional line rental costs for new telephone system re new office development	25		
Inflation for goods and services	38		
	<hr/>	515	
Change in Operational (Surplus)/Deficit			1,283
Other			
Interest payments on capital financing		150	
Contribution to CC MRP		54	
		<hr/>	204
			<hr/> <hr/> 1,487

* Highlighted lines denote where variations are included in the written report

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

Capital Programme 2016/2017 to 2020/2021

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CAPITAL PROGRAMME	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	Payments to 2015/16 £'000	Payments 2016/17 £'000	Payments 2017/18 £'000	Payments 2018/19 £'000	Payments 2019/20 £'000	Payments 2020/21 £'000	Final Cost Total £'000
Completed Schemes							
Rendel Park	205	0	0	0	0	0	205
Ferry Infrastructure	3,890	0	0	0	0	0	3,890
Electronic Tolling	5,331	0	0	0	0	0	5,331
Advance Signing	116	0	0	0	0	0	116
Ferry Marshalling Area	22	0	0	0	0	0	22
Bridge Office Feasibility Study	9	0	0	0	0	0	9
Bridge Car Park	4	0	0	0	0	0	4
Bridge Anchorage Chambers	73	0	0	0	0	0	73
Ferry Car Park Improvements	21	0	0	0	0	0	21
Gantry Chain Tunnel Replacement	261	0	0	0	0	0	261
Rendel Park - Phase 2	154	0	0	0	0	0	154
Bridge Resurfacing Works - Phase 1	720	0	0	0	0	0	720
Illuminated Road Studs	600	0	0	0	0	0	600
Storage Building Devonport	54	0	0	0	0	0	54
Ferry Sewage Treatment Plant	250	0	0	0	0	0	250
Footpath 24 Reinstatement	29	0	0	0	0	0	29
Bridge Handstrands	14	0	0	0	0	0	14
Plaza Canopy Access Works	21	0	0	0	0	0	21
Rendel Park - Sea Wall Stabilisation	32	0	0	0	0	0	32
Current Programme							
Bridge Access Works	707	35	0	0	0	0	742
Bridge WIM	37	5	0	0	0	0	42
Bridge Protective Coating	1,212	1,225	1,330	800	0	0	4,567
Bridge Main Joint Replacement	250	0	0	0	0	0	250
Bridge Half Joint Replacement	0	0	0	0	0	0	0
Bridge Structural Monitoring System	0	0	100	0	0	0	100
Bridge Office Development	244	90	2,900	1,266	200	0	4,700
Bridge Kerb Units and Waterproofing	0	0	1,500	1,925	425	0	3,850
Awaiting Approval							
Suspension System Remedial Works	0	0	3,000	3,000	0	0	6,000
Future Programme (Not approved)							
Bridge Resurfacing Works - Phase 2	0	0	0	2,000	2,000	0	4,000
TOTAL CAPITAL PROGRAMME	14,256	1,355	8,830	8,991	2,625	0	36,057
FINANCING							
Prudential Borrowing	12,525	1,355	8,830	8,991	2,625	0	34,326
Capital Receipts	20	0	0	0	0	0	20
Revenue Financing	1,711	0	0	0	0	0	1,711
TOTAL FINANCING	14,256	1,355	8,830	8,991	2,625	0	36,057

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

**Statement of Estimated Reserves
for 2016/2017 to 2020/2021**

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

RESERVES AND PROVISIONS	2016/17 Original Budget £'000	2016/17 Revised Forecast £' 000	2017/18 Budget £' 000	2018/19 Indicative £' 000	2019/20 Indicative £' 000	2020/21 Indicative £' 000
Balance brought forward	(2,845)	(3,923)	(4,641)	(3,872)	(2,489)	(443)
Net movement for year	(334)	(718)	769	1,383	2,046	2,058
Balance Carried Forward	(3,179)	(4,641)	(3,872)	(2,489)	(443)	1,615

This page is intentionally left blank

Cornwall Council

Report to: **Tamar Bridge and Torpoint Ferry Joint Committee**

Date: **24 November 2016**

Title: **Tamar Bridge Suspension System Remedial Work**

Portfolio Area **Cornwall Council: Transportation and Waste
Plymouth City Council: Transport**

Divisions Affected **all**

Relevant Scrutiny Committee: **Scrutiny Management Committee**

Relevant Portfolio Advisory Committee (Cabinet (executive) decisions):

Key Decision:	Y	Approval and clearance obtained:	Y
Urgent Decision:	Y	Date next steps can be taken: (e.g. referral on of recommendation or implementation of substantive decision)	Normally 10 calendar days after decision for Cabinet
Appropriate pre-decision notification given where an executive Decision?			N

Author: **David List** Role: **General Manager**

Contact: **01752 812233** david.list@tamarcrossings.org.uk

Recommendations:

1. the report be noted;
2. a new capital item for Tamar Bridge Suspension System Remedial Work is included in the proposed 2017/2018 Revenue Estimates and Capital Programme with a budget provision of £6.0 million;
3. an update report be brought to the next meeting.

Cornwall Council

1. Executive summary

- 1.1 This report sets out the issues identified with the Tamar Bridge suspension system through a series of special investigations and summarises the current position and preferred way forward.
- 1.2 Following a series of detailed inspections, it has been discovered that elements of the suspension system, referred to as cable band bolts and hanger bolts, have characteristics that are outside the acceptable specification range. With the exception of a small number of bolts that were replaced during the 1980s the vast majority of bolts are original items and now over 55 years old. The cable band bolts and hanger bolts are safety critical elements of the suspension system.
- 1.3 The bridge suspension system is fundamental to the function of the structure and the affected elements have limited redundancy. In order to reduce the risk of failure of one or more of these critical elements it is important that the defects are addressed as soon as possible.
- 1.4 Officers and consultants are in the process of finalising a technical solution for the remedial work but it is important to engage with a contractor at an early stage due to the very specialist nature of the scheme and high level access arrangements required to undertake the work. This early contractor engagement will lead the preferred procurement route.
- 1.5 It is recommended that a new capital item for the work is included in the proposed 2017/2018 Revenue Estimates and Capital Programme with a budget provision of £6.0 million.

2. Background

- 2.1 The Tamar Bridge suspension system is fundamental to the function of the structure as it supports the road deck, the two cantilever lanes and the stiffening truss. The suspension system comprises 2 no. main cables, 120 no. vertical hanger cables, hanger sockets and cable bands and 18 no. supplementary cables added during the strengthening and widening project in 1999-2001. Each cable clamp comprises either 6 no. or 8 no. cable band bolts and each vertical hanger comprises 4 no. high level and 4 no. deck level hanger bolts.
- 2.2 A small sample inspection of these critical elements (the cable band bolts and the hanger bolts) was undertaken in early 2014 in order to determine the overall condition of the bolts and to confirm their material properties.

Cornwall Council

- 2.3 The results of this initial investigation and associated laboratory testing revealed some anomalies in the hardness values of the sampled bolts. As a result, it was decided that further limited in-situ hardness testing should be carried out on all of the areas of the south main cable that were readily accessible by mobile elevating work platforms.
- 2.4 The additional inspection and testing yielded similar unsatisfactory hardness results to the original limited sampling exercise and it was subsequently decided to extend the scope of the investigation to include full coverage of the structure meaning that every cable band bolt and hanger bolt would be tested.
- 2.5 Overall 1,310 no. bolts have been inspected and tested to date. There are a further 64 no. bolts that require inspection but due to different access arrangements they have not yet been checked. This will be completed in the near future. The results so far have established that approximately 20% of the bolts fall outside the acceptable specification range and will require replacement.
- 2.6 In addition to the bolts that fall outside of the specification range the inspection has also identified 6 no. cracked bolts. This type of defect was particularly unexpected and as a result additional investigation work is required. At present officers are making arrangements to remove one of the cracked bolts and replace it with a temporary new bolt. The cracked bolt will undergo forensic examination to determine the most likely cause of failure. This aspect of the investigation is currently ongoing and will be completed as soon as possible.
- 2.7 The access arrangements and temporary works requirements to undertake the bolt replacement scheme are complex and will be developed further taking into account the need to maintain traffic flow across the structure, ensuring the safety of users and member of the public and allowing the contractor to complete the works as efficiently as possible.
- 2.8 The outline temporary works requirements for the scheme have been determined according to the existing design, load capacities and safety factors of the structure. The safety factors in the design provide very limited redundancy of certain elements, and mean that each of the vertical hangers is necessary and it is not acceptable to remove one hanger or the associated bolts from the structure without making alternative provisions to carry load. As such the temporary works required at each hanger location will involve the installation of two additional temporary supports, one either side adjacent to the permanent hanger. The temporary supports will be used to relieve vertical load from the permanent hanger arrangement so that the permanent hanger and cable band bolts can be removed and

Cornwall Council

replaced. Once the replacement bolts have been installed, a pre-determined load will be applied to each bolt and checked. Once complete the load can be transferred from the temporary supports to the permanent hanger and the temporary support arrangement uninstalled. This process will be repeated at every hanger requiring intervention.

2.9 Temporary access arrangements will be required at every permanent hanger location requiring intervention. The access arrangements will be designed in such a way as to protect members of the public, bridge staff and personnel involved in the works. The details of the preferred access arrangements are difficult to determine at this point because there are a number of significant variables to consider such as:

- work at differing heights/locations;
- size of access;
- weight of access;
- access installation/removal methods;
- multiple methods of access dependent on locations;
- construction of bespoke access platforms;
- installation of temporary full or partial catwalks.

2.10 The preferred competitive dialogue procurement route will enable officers to engage with an experienced contractor at an early stage and this will enable the most safe and efficient access arrangements to be developed according to the Clients requirements, existing site constraints, programme and contractor preferred methodology.

2.11 Officers and consultants will continue to develop the outstanding details of the scheme whilst in parallel, and as a matter of priority, establish the principles of the procurement route with Cornwall Council commercial services team.

2.12 It is essential that this scheme is undertaken as soon as possible and work is currently anticipated to commence in Spring 2017 to make the most of the favourable weather conditions. At this stage officers have estimated that the work may take 12-18 months. However, the programme will be refined once a contractor is appointed.

2.13 The preliminary results of the full testing exercise indicate that at the very least a selective bolt replacement scheme is required. However, the widespread distribution of the substandard bolts means that high level access and complex temporary works will be required at virtually all 120 no. hanger locations and it is therefore likely to be more efficient in the long run to undertake a total bolt replacement scheme from the outset.

Cornwall Council

2.14 The costs associated with the scheme are significant and reflect the highly specialist nature of the scheme, complex access arrangements and significant temporary works requirements. Below is an estimate of the costs associated with the project.

Summary of estimated fixed costs

Some of the costs are considered fixed, regardless of the scale of the works, and these costs are unlikely to vary significantly regardless of whether 1 no. bolt is replaced or all 1374 no. are replaced.

Professional services - £400,000

Including - outline scheme development, procurement process support, pre-site planning and CDM 2015 support, design, analysis and checking and site supervision support.

Contractor services - £1,000,000

Including - project preliminaries, pre-site planning, health and safety documentation, surveys, detailed access design, detailed temporary works design, off-site fabrication work, mobilisation and demobilisation.

Summary of estimated variable costs

Some of the costs are variable and are generally associated with the works on site and will vary according to quantity, duration, site programme or scale of the works. Estimated minimum and maximum costs are set out below:

Item	est min	est max
Project management and site supervision	£50,000	£100,000
Traffic Management	£80,000	£160,000
Contractor site set up	£200,000	£500,000
Construction works	£735,000	£1,800,000
Weather delays	£75,000	£150,000
Sub total	£1,140,000	£2,710,000
Site contingency/risk allowance at 25%	£285,000	£677,500
Total	£1,425,000	£3,387,500

The total estimated fixed and variable costs produces an estimated budget range for the project of £2,825,000 - £4,787,500. At this stage, without the appointment of a suitable contractor to assist with the development of the scheme, the urgent nature of the project programme and the rigorous governance arrangements, it is considered prudent to make a budget provision of £6 million to facilitate the anticipated range of possible solutions.

Cornwall Council

It is proposed that the item is funded by borrowing, and the associated revenue costs are incorporated in the proposed 2017/2018 Revenue Estimates and Capital Programme.

3. Outcomes/outputs

- 3.1 **Programme** - due to the critical nature of the works it is proposed to start the scheme on site in Spring 2017.
- 3.2 **Design Development** - consultants have developed the bolt replacement scheme as far as possible and without valuable input from an experienced contractor. It will be necessary to finalise the scope of works once a suitable contractor is appointed.
- 3.3 **Procurement** - the preferred procurement option will be through the Competitive Dialogue procedure (Regulation 30) and undertaken in accordance the New Public Contract Regulations 2015. This route should enable the appointment of a contractor by February 2017.

4. Options available and consideration of risk

The following options have been considered -

- 4.1 **Do nothing** – this option is not considered viable due to the safety critical nature of the suspension system. The risk of failure of these safety critical elements would remain high and that could compromise the provision of the crossing into the future.
- 4.2 **Undertake a partial bolt replacement** – while this is a viable option it is not the preferred option. Investigations have shown that approximately 20% of bolts do not comply with the relevant specification range. Implementing this option would mean that the risk of failure of the bolts that do not meet the required specification is mitigated. However, the remaining bolts will still be original items and over 55 years old. As these are considered hidden elements (i.e items that cannot be fully inspected without removal from the structure) some risk remains that bolt failures may occur in the future for other/age related reasons. In addition, discovering a number of cracked bolts, some of which are within the specification range, has introduced another dimension to the investigation and at this juncture it is too early to determine the cause of the cracking.
- 4.3 **Undertake full bolt replacement** – based on findings and assessment to date this is the preferred option as a full bolt

Cornwall Council

replacement scheme will mitigate the risks specifically associated with these safety critical elements. The widespread distribution of the substandard bolts means that high level access and complex temporary works will be required at virtually all 120 no. hanger locations. As set out above, the high value elements of the project are the complex access arrangements and the temporary works required to temporarily relieve the load from each hanger cable while a bolt is replaced. This needs to be done regardless of whether one bolt or all bolts are being replaced.

5. Proposed Way Forward

It is recommended that a new capital item for the work is included in the proposed 2017/2018 Revenue Estimates and Capital Programme with a budget provision of £6.0 million.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	There are no legal implications arising directly from this report.
Financial	Y	It is proposed that the item is funded by borrowing, and the associated revenue costs are incorporated in the proposed 2017/2018 Revenue Estimates and Capital Programme. Initial revenue funding of borrowing the £6m funding for the project is approximately £510,000 per annum. Costs will incrementally increase to this annual sum as the project progresses and then decrease over time as capital is repaid and interest liabilities reduce. Estimates and indicative forward budgets reflect programmed funding.
Risk	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	No issues identified.

Cornwall Council

Safeguarding	N	No issues identified.
Information Management	N	No issues identified.
Community Safety, Crime and Disorder	N	No issues identified.
Health, Safety and Wellbeing	Y	The safe delivery of the service is critical. Key Performance Indicators (KPIs) monitor the level of accidents occurring on TBTF sites.
Other implications		No other implications identified.

Supporting Information

None

Background Papers:

None

Approval and clearance of report**All reports:**

Final report sign offs	This report has been cleared by OR not significant/not required	Date
Legal (if significant/required)	Simon Mansell	15.11.16
Finance Required for all reports	Leah Thomas, Interim Strategic Finance Manager	16.11.2016
Equality and Diversity	Not Required	

Cornwall Council

Cabinet/individual decision reports:

Final report sign offs	This report has been cleared by	Date
Head of Service	David List	14/11/2016
Corporate Director		

This page is intentionally left blank

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

MINUTES of a Meeting of the Tamar Bridge and Torpoint Ferry Joint Committee held at Council Chamber, Saltash Town Council, Guildhall, Saltash PL12 6JX on Thursday 24 November 2016 Commencing at 10.30 am

Present:-

Cornwall Council Members

Bob Austin (Co-Chair)

Joe Ellison, Derek Holley and Mike Pearn MBE

Plymouth City Council Members

Martin Leaves (Co-Chair)

Mark Coker and George Wheeler

Apologies for absence: Brian Hobbs CC, Samantha Leaves PCC, Patrick Nicholson PCC and Bert Biscoe CC

DECLARATIONS OF INTEREST

(Agenda No. 2)

TBTF/16 There were no declarations of interest.

MINUTES OF THE MEETING HELD ON 9 SEPTEMBER 2016

(Agenda No. 3)

TBTF/17 It was moved by Councillor Wheeler, seconded by Councillor Holley, and

RESOLVED That the Minutes of the meeting of the Tamar Bridge and Torpoint Ferry Joint Committee held on 9 September 2016 were correctly recorded and that they be signed by the Chairman.

A Member requested that in future, if possible, the dates of the Tamar Bridge and Torpoint Ferry Joint Committee meetings co-ordinate with those of the Cabinet meetings of the constituent Authorities. It was agreed that the Democratic Officer would investigate and arrange if possible.

QUESTIONS FROM MEMBERS OF THE PUBLIC

(Agenda No. 4)

TBTF/18 There were no questions from members of the public.

2016/17 BUDGET MONITORING

(Agenda No. 5.1)

TBTF/19 (This was taken after Agenda No. 6 (Tamar Bridge Suspension System Remedial Work) and Agenda No. 7 (General Manager's Quarterly Report))

Consideration was given to the previously circulated report in respect of 2016/17 Budget Monitoring, presented by the Service Accountant, Cornwall Council, in which attention was drawn to a typographical error in the report: Average Level of Interest Paid should read: "Actual Interest Paid Qtr 2, 2016-17, £0.398m".

In response to comments and requests from a Member in respect of the format for the presentation of figures in the report, the Service Accountant, Cornwall Council, acknowledged the suggestion that this be made meaningful to all readers and to separate income for Tamar Bridge and Torpoint Ferry, and stated that the presentation reflected normal public sector practice.

Arising from consideration of the report, it was proposed by Councillor Pearn MBE, seconded by Councillor Ellison, and

RESOLVED That the revised revenue forecast and capital programme for 2016/17 be approved.

There followed a presentation in graph format for the Joint Committee's information of:

- (i) Previous position as at May 2016;
- (ii) Current position without the proposed additional capital expenditure included;
- (iii) Effect of increasing the Bridge Office Development budget;
- (iv) Effect of adding the Bridge Suspension System remedial work;
- (v) Combined effect of additional capital spend; and
- (vi) Revenue funding options for new capital expenditure.

2017/18 REVENUE ESTIMATES AND CAPITAL PROGRAMME

(Agenda No. 5.2)

TBTF/20 (This item was taken after Agenda No. 6 (Tamar Bridge Suspension System Remedial Work), Agenda No.7 (General Manager's Quarterly Report) and Agenda No. 5.1 (2016/17 Budget Monitoring))

Consideration was given to the previously circulated report in respect of 2017/18 Revenue Estimates and Capital Programme, presented by the Service Accountant, Cornwall Council.

In response to comments and questions from Joint Committee members, the General Manager, Tamar Bridge and Torpoint Ferry, and Business Manager, Tamar Bridge and Torpoint Ferry, confirmed that:

- (i) Bridge salary figures included revised distributions related to posts shared with Torpoint Ferry;
- (ii) In respect of staff pension liabilities, discussions were currently being held with the Pension Scheme administration in respect of the assessment of Tamar Bridge and Torpoint Ferry as a second tier body apparently on the grounds that it was unable to raise taxes;
- (iii) Although the resurfacing of the bridge deck was not an approved capital item, it had been included in the estimates. A separate report would be presented to the Joint Committee at a future meeting on this;
- (iv) Work was likely to begin in Spring 2018 in relation to raising tolls, assuming that a 12-month process was required.

Arising from consideration of the report and additional information, it was proposed by Councillor Martin Leaves, seconded by Councillor Wheeler, and

RESOLVED THAT IT BE RECOMMENDED TO THE CONSTITUENT AUTHORITIES

- 1. The proposed revenue budget for 2017/18, as set out in Appendix 1 to the report, be approved;
- 2. The proposed capital programme, as set out in Appendix 2 to the report, be approved; and
- 3. The longer term forecast to 2020/21 be noted.

The motion was carried with 1 abstention.

TAMAR BRIDGE SUSPENSION SYSTEM REMEDIAL WORK

(Agenda No. 6)

TBTF/21 (This item was taken before Agenda No. 7 (General Manager's Quarterly Report), Agenda No. 5.1 (2016/17 Budget Monitoring) and Agenda No. 5.2 (2017/18 Revenue Estimates))

Consideration was given to the previously circulated report in respect of the Tamar Bridge Suspension System Remedial Work, presented by the General Manager, Tamar Bridge and Torpoint Ferry.

In response to comments and questions from Joint Committee members, the General Manager, Tamar Bridge and Torpoint Ferry, and the Engineering Manager, Tamar Bridge and Torpoint Ferry, confirmed that:

- (i) It was possible that the defects in the bolts had been present when originally fitted;
- (ii) Hardness of the bolt material was tested using a device to measure impact and rebound;
- (iii) The replacement bolts would need to be custom made;

- (iv) The most significant issue was the over-hardness of the bolts, which could potentially result in brittleness and subsequent failure;
- (v) It appeared that the 6 cracked bolts were still taking some load;
- (vi) An analysis of one of the cracked bolts would be undertaken. This bolt would be replaced by a temporary bolt whilst testing took place;
- (vii) Testing the cracked bolt would provide valuable information to fully detail the existing problem and provide data for use in the future;
- (viii) It was not anticipated that defects in any other elements of the structure would be found when the bolts were removed;
- (ix) It would be necessary to start the work in the Spring to make the most of the better weather;
- (x) There was likely to be a limited supply market and it was proposed that a competitive dialogue be entered into with prospective contractors;
- (xi) Although the joint authorities had emergency reserves, it was unlikely that they would consider using them for this remedial work, as Tamar Bridge and Torpoint Ferry were expected to be self financing;
- (xii) This was considered to be the most urgent project at present;
- (xiii) The current governance arrangements did not permit any flexibility with the budget to address the matter.

The Chairman stated that the matter of the governance arrangements and the urgency of the matter had been raised with Cornwall Council's Leader, as there was a need for this to be addressed for the future.

Members expressed the opinion that the bolts should be replaced in full and that this should be carried out as soon as possible.

Arising from consideration of the report and additional information, it was proposed by Councillor Wheeler, seconded by Councillor Hobbs, and

RESOLVED That

1. The report be noted;
2. A new Capital item for Tamar Bridge Suspension System Remedial Work is included in the proposed 2017/18 Revenue Estimates and Capital Programme with a budget provision of £6.0 million;
3. An update report be brought to the next meeting.

GENERAL MANAGER'S QUARTERLY REPORT

(Agenda No. 7)

TBTF/22 (This item was taken after Agenda No.6 (Tamar Bridge Suspension System Remedial Work) and before Agenda No. 5.1 (2016/17 Budget Monitoring) and Agenda No. 5.2 (2017/18 Revenue Estimates and Capital Programme))

Consideration was given to the previously circulated report in respect of the General Manager's Quarterly Report, presented by the General Manager, Tamar Bridge and Torpoint Ferry.

In response to comments and questions from Joint Committee members, the General Manager, Tamar Bridge and Torpoint Ferry, the Business Manager, Tamar Bridge and Torpoint Ferry, and the Engineering Manager, Tamar Bridge and Torpoint Ferry confirmed that:

- (i) In respect of Torpoint Ferry Operations: LYNHER was the newest ferry; however, the electronics system was over 10 years old and some obsolescence had been identified;
- (ii) In respect of Tamar Bridge Operations: There had been an increase in cash traffic during the period.
The highways works being carried out at Carkeel had had no significant impact, as much of the work was carried out at night.
- (iii) In respect of Bridge Inspection and Maintenance: Some cracks had been identified on aluminium components of one of the maintenance gantries, and repairs to the motors and brakes needed to be undertaken;
- (iv) In respect of the Bridge Office Development: It was necessary to request an increase in the budget from £3.97million to £4.7million for this as following the tender process, the bid from the preferred contractor was outside the forecasted sum; delays with the project had resulted in 2%-3% increase due to general inflation and building sector inflation; there had been an open tender process and some expected tenderers had declined to submit a tender as the pool was too large and they had chosen to pursue other projects; and due to the reduction in the bid to the Heritage Lottery Fund, a greater share of the cost of the project had to be found.
It was considered that there was little merit in putting the project to tender again as it was unlikely to attract any more tenders, bids submitted were likely to be more expensive and it would cause further delay.
Whilst it was acknowledged to be a risk that more monies would be required before the project was completed, it was considered to be unlikely.
- (v) In respect of the bid to the Heritage Lottery Fund for the Learning Centre: Three successive bids had now been made and a positive outcome was hoped for from the Assessment Panel scheduled to take place in early December.
- (vi) In respect of Bridge Lighting: A consultant had been engaged and was due to visit on 10 December 16. The consultant had been asked to provide a range of options for lighting. An open dialogue would be maintained with the Clerk to the Saltash Town Council in respect of progress on this consultancy.
- (vii) In respect of the Tamar Crossings Travel Analysis Study: The Chairman's request for a full report to be brought to the next Joint Committee meeting was agreed.

- (viii) In respect of the 2017-2020 Business Plan: A Member's request that the Business Plan be brought to the Joint Committee in full at its meeting scheduled for 10 March 2017 was agreed.
- (ix) In respect of Staff: Following a Member's suggestion that the target set for staff sickness absences set out in Table 3, Appendix 2 to the report, may be too low, given that staff were working outside in all weather conditions, it was agreed that for the future, a long term target and a short term target be reported.
- (x) In respect of Journey Time Monitoring: Approval was currently being sought for the Bluetruth journey monitoring system to be extended into other locations around the Bridge and Ferry.
At the previous meeting, a Member had asked for information to be provided in respect of journey times on special event days. The British Firework Championships had been held on 16 and 17 August 2016 and the journey time statistics for the Bridge and the Ferry showed that there was very little impact on journey times.
- (xi) In respect of the Strategic Risk Register (Appendix 4 to the report):
The risk ranking of Risk Reference S1 (Economic Depression/Recession) had been changed to reflect the perceived risk in the post-Referendum economic environment. It was now considered that potentially there could be a reduction in traffic flow if the economy went into recession or depression, which would affect income levels.
- (xii) Attention was drawn to the Financial Implications set out in the report in Section 6. Implications, in which it was clarified that the initial revenue costs of approximately £62,300 per annum related to the first year.
- (xiii) In respect of the targets for Number of Complaints Received and Payment of Suppliers within 30 Days of Invoice as set out in Table 3, Appendix 2 to the report, a Member's concern that i) the target for number of complaints received was too onerous, particularly as social media made making a complaint very easy; and that ii) delays in payments to small suppliers could potentially impact negatively on their cash flow, were acknowledged and it was agreed that all of the Key Performance Indicators would be reviewed.

Arising from consideration of the report and additional information, it was proposed by Councillor Ellison, seconded by Councillor Wheeler, and

RESOLVED That

1. The report be noted;
2. The budget provision for the Bridge Office Development capital project be increased to £4.7million in the proposed 2017/18 Revenue Estimates and Capital Programme;
3. The draft 2017-2020 Business Plan be presented to the Tamar Bridge and Torpoint Ferry Joint Committee at its meeting scheduled to take place on 10 March 2017;

4. An update report be brought to the next meeting.

ANY BUSINESS THE CHAIRMAN CONSIDERS TO BE URGENT

(Agenda No. 8)

TBTF/23 There was no urgent business for consideration.

The meeting ended at 12.40 pm

This page is intentionally left blank