



**Oversight and Governance**

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Published 10 January 2021

## **CABINET – SUPPLEMENT PACK**

Tuesday 12 January 2021  
2.00 pm  
Virtual Meeting

**Members:**

Councillor Evans OBE, Chair

Councillor P Smith, Vice Chair

Councillors Haydon, Coker, Dann, Lowry, Penberthy, Jon Taylor, Laing and Kate Taylor.

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

Please find enclosed additional information relating to agenda items 10,14,16,17 and 18.

For further information on attending Council meetings and how to engage in the democratic process please follow this link - [Get Involved](#)

**Tracey Lee**

Chief Executive

## **Cabinet – Supplement Pack**

- |  |                        |
|--|------------------------|
| <b>10. Completed Pledge Report</b>   | <b>(Pages 1 - 6)</b>   |
| <b>14. Tamar Bridge &amp; Torpoint Ferry 2021/22 Revenue Estimates and Capital Programme</b> | <b>(Pages 7 - 44)</b>  |
| <b>16. Digital Plan 2020 - 23</b>  | <b>(Pages 45 - 68)</b> |
| <b>17. Brexit end of transition arrangements impact</b>                                      | <b>(Pages 69 - 80)</b> |
| <b>18. Brexit: Fisheries Update</b>  | <b>(Pages 81 - 86)</b> |

# Cabinet



Date of meeting: 12 January 2021  
 Title of Report: **Completed Pledge Report**  
 Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)  
 Lead Strategic Director: Giles Perritt (Assistant Chief Executive)  
 Author: Kevin McKenzie  
 Contact Email: kevin.mckenzie@plymouth.co.uk  
 Your Reference: CAB/001/12/2021  
 Key Decision: No  
 Confidentiality: Part I - Official

## Purpose of Report

The administration continues with its four year programme to deliver against the 100 pledges, by March 22, for a better, greener and fairer Plymouth. Following the completion of pledge 11 in December, the total number of pledges completed is 82 of the 100.

A pledge on a page has been completed for:

**Pledge 11:** Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

## Recommendations and Reasons

1. Cabinet are invited to note the completion of pledge 11 in December 2020, bringing the total number of completed pledges to 82.

## Alternative options considered and rejected

Not applicable.

## Relevance to the Corporate Plan and/or the Plymouth Plan

Brexit continues to have significant implications for the delivery of the Corporate Plan and the Plymouth Plan in particular : -

- Our growing city pledge to deliver economic growth that benefits as many people as possible
- Our Plymouth Plan commitment to actively work to promote Plymouth's as an international city.

## Implications for the Medium Term Financial Plan and Resource Implications:

Brexit will have significant implications for the Medium Term Financial Plan these are anticipated in the associated entry on our strategic risk register.

There are no new cost pressures that are not set out as part of in year monitoring and/or next year's budget.

**Carbon Footprint (Environmental) Implications:**

The stated intention of Government is to diverge from the currently applicable statutory provisions for environmental protection which are derived from EU law.

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed.

**Appendices**

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Pledge on a page report (Pledge 11)							

**Background papers:**

*\*Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
N/A							

**Sign off:**

Fin	pl.20. 21.20 4	Leg	MS/0 7.01.2 1	Mon Off		HR		Asset s		Strat Proc	
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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 04/01/2021

Cabinet Member approval: *Councillor Mark Lowry (Cabinet Member for Finance)*

Date approved: 08/01/2021



**What we said we would do:** Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

**What we wanted to achieve:** In June 2017 we established a Scrutiny Committee comprised of members from both political parties to look in more depth at how Brexit would affect the City. The remit of this group was:

- Reviewing the impact of Brexit on the city
- Proposing measures that Government should take to provide stability for the council and partners in light of Brexit
- Exploring powers that could be devolved from the EU directly to local authorities

### What we have done:

BILCO has met on 17 occasions since its first meeting on 6 June 2018 and considered 25 reports, providing evidence to members of the committee about Brexit related risks and opportunities. The written evidence to the committee has been supplemented by evidence from 19 expert witnesses. Archived webcasts, agendas, minutes and reports from all the BILCO committee meetings are available on our [corporate web pages](#).

At its 21 October 2020 meeting BILCO agreed to hold an additional meeting to scrutinise the preparedness of a diverse range of local businesses for the end of the transition period. This engagement included a meeting with the Plymouth Business Brexit Group on 25 November 2020 and the Plymouth Area Business Council on 2 December 2020. Additional expert witnesses were invited to attend to a special BILCO meeting on 2 December 2020.

In December Cabinet received a report from the BILCO committee collating and summarising the evidence of economic impact considered by BILCO, and adding further value to it by relating it to the current preparedness of local business for the end of the transition period and a new trading relationship with the EU.

Cabinet agreed a recommendation at its December meeting to sign off on pledge 11 as completed at the January 2021 meeting of Cabinet after a pledge on a page has been prepared.

### What's next:

Part D of the constitution sets out the Council's Overview and Scrutiny arrangements. The next meeting of the Scrutiny Committee will be held in January 2021 and will consider the current terms of reference and make recommendations to Cabinet about how these may be amended to reflect the end of the Brexit transition period.

### Find out more!

Here are some news stories about our work to deliver the pledge:

<https://www.plymouthherald.co.uk/news/plymouth-news/brexit-predicted-leave-people-plymouth-4760395>

<http://plymouthnewsroom.co.uk/new-committee-look-brexit-will-affect-plymouth/>

<http://plymouthnewsroom.co.uk/council-demands-continued-funding-post-brexit/>

<http://plymouthnewsroom.co.uk/plymouth-call-control-training-funds-post-brexit/>



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# Cabinet



Date of meeting:	12 January 2021
Title of Report:	<b>Tamar Bridge &amp; Torpoint Ferry 2021/22 Revenue Estimates and Capital Programme</b>
Lead Member:	Councillor Mark Coker (Cabinet Member Strategic Planning and Infrastructure)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	David List, General Manager, Tamar Bridge and Torpoint Ferry
Contact Email:	david.list@tamarcrossings.org.uk
Your Reference:	DL20/21
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

The Tamar Bridge and Torpoint Ferry 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 crossings are governed by the Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC) comprised of five councillors from each of the parent Authorities.

The finances of the joint undertaking are effectively ring-fenced by the Tamar Bridge Act, and it is operated as a self-financing business. TBTFJC's revenue and capital expenditure are funded entirely from Bridge and Ferry toll income and do not affect the budgets of either Plymouth City Council or Cornwall Council. TBTFJC's Terms of Reference require the Cabinets of the Joint Authorities to recommend TBTFJC's budgets to their respective Full Councils.

This report presents TBTFJC's 2021/22 Revenue Estimates and Capital Programme report submitted to TBTFJC on 18 December 2020 and draft minutes recording TBTFJC's endorsement.

## Recommendations and Reasons

That the Cabinet recommends TBTFJC's 2020/21 Revenue Estimates and Capital Programme to Council for approval.

## Alternative options considered and rejected

The TBTF Strategic Plan 2018-2022 and associated Annual Plans are designed to deliver safe, reliable and efficient crossings of the Tamar. The key priorities and delivery actions support the Plan and maintain established service delivery characteristics. The proposed budgets provide the resources to deliver the plan.

Asset maintenance has been designed to optimise service delivery and life cost.

## Relevance to the Corporate Plan and/or the Plymouth Plan

The Tamar Bridge & Torpoint Ferry links are key gateways to the City and provide opportunities for investment, jobs and growth particularly in the wider context of Plymouth as the regional economic centre.

Providing a safe well-maintained road network contributes to the economic well-being of the City, supporting the Council's Growth priority.

## Implications for the Medium Term Financial Plan and Resource Implications:

**Finance** – The proposed revenue budget and capital financing is in normal times funded entirely from the undertaking's own income. The Government provided a level of support funding in 2020/21 to cover part of the forecast income lost as a result of the Covid-19 pandemic. It is understood that there is a possibility of further support funding from Government in 2021/22 but no assumptions of such support funding have been made. Bridge and Ferry traffic volumes from April 2021 onwards have assumed that traffic will be at 90% of 2019 levels to reflect the forecast effects of the ongoing pandemic. Based on the forecast traffic levels, the proposed budgets forecast an end of year reserves level of £0.5m. TBTFJC will be holding a Member/Officer workshop in January 2021 to consider its future finance strategy in light of the ongoing pandemic.

The TBTFJC's borrowing requirements are provided through Cornwall Council. This arrangement together with subsequent servicing costs of the loans being funded from toll revenue means that approval of TBTFJC's Revenue Estimates and Capital Programme will not affect Plymouth City Council budgets.

**Human** – The proposed budgets support the approved TBTF Strategic Plan 2018-2022 and associated Annual Plans and these will be delivered by the existing organisation using its own staff, contractors and consultants, with support from the parent authorities.

**IT** – The IT implications are restricted to incremental improvement of existing systems as part of the Business Plan and associated projects.

**Land** – No land issues arising from this item.

## Carbon Footprint (Environmental) Implications:

Approval of budgets will ensure that planned maintenance and appropriate operational oversight of the crossings will continue, providing reliable journey times minimising the potential for longer diversionary journeys or congestion related pollution.

## Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

**Risk Management** – The risk register and mitigation measures are updated routinely and presented to TBTFJC.

**Health and Safety** – Key Performance Indicators within the Strategic Plan and associated Annual Plans are designed to drive improvement.

There are no child poverty or community safety implications.

## Appendices

\*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Briefing report title							
B	Appendix 1 – Financial Model							
C	Appendix 2 – TBTFJC Report - 2021/22 Revenue Estimates and Capital Programme							
D	Appendix 3 - Draft Minutes of TBTFJC Meeting, 18 December 2020							

## Background papers:

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

## Sign off:

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Originating Senior Leadership Team member: Philip Robinson (Service Director for Street Services)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 05/01/2021											
Cabinet Member approval: Councillor Mark Coker (Cabinet Member for Strategic Planning and Infrastructure)											
Date approved: 05/01/2021											



## **Briefing Report -**

# **Tamar Bridge and Torpoint Ferry 2021/22 Revenue Estimates and Capital Programme**

## **Introduction**

- 1.1 The Tamar Bridge and Torpoint Ferry 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 in normal times as a self-financing business. The undertaking's income has been drastically affected by the reduced traffic levels during the pandemic. The parent Authorities has applied to Government for support to cover lost income during the pandemic, and the undertaking had commenced the process for increasing tolls to cover a forecast end-of-year deficit for 2020/21 until Government support was confirmed. The Government has now provided a level of support funding in 2020/21 to cover part of the forecast income lost as a result of the Covid-19 pandemic, and this is forecast to total £2.66m. It is understood that there is a possibility of further support funding from Government in 2021/22 but no assumptions of such support funding have been made. TBTFJC's revenue and capital expenditure are funded entirely from Bridge and Ferry toll income and do not affect the budgets of either Plymouth City Council or Cornwall Council. The undertaking adopts approved four-year plans and annual plans which aims to provide the service without external financial support from the parent authorities or other source.
- 1.2 The parent authorities continue to lobby the Department for Transport (DfT) and Highways England (HE) for ongoing support towards the cost of operating, maintaining and improving the Tamar Bridge, and dialogue with DfT and HE has commenced.
- 1.3 The parent authorities have also sought support from DfT for changes to legislation allowing tolls to increase with inflation in the future without recourse to the Secretary of State.

## **Revenue Estimates**

- 1.4 The proposed Revenue Estimates 2021/22 (budgets) and indicative estimates for future years support the approved 2018-2022 Strategic Plan and are consistent with the organisation's long-term financial model. They have been determined from the detailed analysis of forecast expenditure and income. The various assumptions made in financial modelling have also been examined at TBTFJC meetings. Assumptions on pay inflation and on interest rates for borrowing and investment have followed those used by Cornwall Council.
- 1.5 Toll income is a function of traffic levels, the mix of vehicle types and the proportion of discounted pre-paid (TamarTag) traffic. Combined total traffic for the two crossings in the 12 months ending 31 October 2020 was 25% less than in the preceding 12 month period. Bridge and Ferry traffic volumes from April 2021 onwards have assumed that traffic will be at 90% of 2019 levels to reflect the forecast effects of the ongoing pandemic. Our traffic forecasts are considered to represent a conservative but prudent approach in view of the ongoing effects on traffic resulting from Covid-19, but it must be noted that forecasting at the present time carries an unprecedented level of uncertainty.

- 1.6 TBTFJC normally adopts a prudent minimum level of reserves of £2m, and a forecast of falling below that threshold is used as the trigger for a requirement for additional income. Based on the assumptions set out above, funding of the projects in the proposed Capital Programme by borrowing and using current toll charges, indicative reserves will reduce to £0.515m by the end of 2021/22, and at current levels and without external support, deficits are predicted for subsequent years. The reserves position is illustrated at Appendix 1.
- 1.7 Detail on the revenue estimates is shown in Appendix 2 being the report presented as item 7.2 of the agenda pack for the 18 December 2020 meeting of TBTFJC, and these were approved by TBTFJC for recommendation to Constituent Authorities as shown in the draft minutes at Appendix 3.
- 1.8 In view of the end-of-year deficit positions forecast for 2022/23 onwards, TBTFJC will be holding a workshop in January 2021 to consider its strategy to address the forecast financial position.

## **Capital Programme**

### **Financing**

- 1.9 As established within previous years' budget reports, the financing of capital projects is currently undertaken through the advance of funding from Cornwall Council (in effect borrowing). This spreads the effect on the revenue budget and therefore on the level of reserves held by the Joint Committee. The financing costs for the capital programme are reflected within the revenue estimates and include improvements in terms for new borrowing compared to historical arrangements.
- 1.10 Detail on the consolidated capital programme is shown in the report at Appendix 2, being the report presented as item 7.2 of the agenda pack for the 18 December 2020 meeting of TBTFJC, and these were approved by TBTFJC for recommendation to Constituent Authorities as shown in the draft minutes at Appendix 3.

### **Projects**

- 1.9 The financing of all major capital projects is currently undertaken through the advance of funding from Cornwall Council (in effect borrowing). This spreads the effect on the revenue budget and moderates the level of reserves held by the Joint Committee. The financing costs of this borrowing are reflected within TBTFJC's revenue budget.
- 1.10 As can be seen from Appendix 2 there are five approved projects in the proposed Current Programme for 2021/22, (excluding projects completed in the current year with retention payments) with existing approved budgets :
- Ferry Traffic Control Systems – deferred from 2020/21
  - Bridge LED Street Lighting
  - Main Cable Remedial Works
  - Toll System Upgrade
  - Bridge Resurfacing

**Future Projects**

I.11 New proposed projects commencing in 2021/22 are:

- Bridge Access Improvements £0.50m
- Supplementary Cable Works £2.00m
- Parapet Works (provisional) £2.00m
- Ferry Gantry Tower Replacement £0.84m

The parapet works will be subject to further approval at TBTFJC at its March 2021 meeting.

I.12 The remaining items in the Future Capital Programme are scheduled to commence from 2022/23 onwards:

- Rocker/Pendle Remedial Works

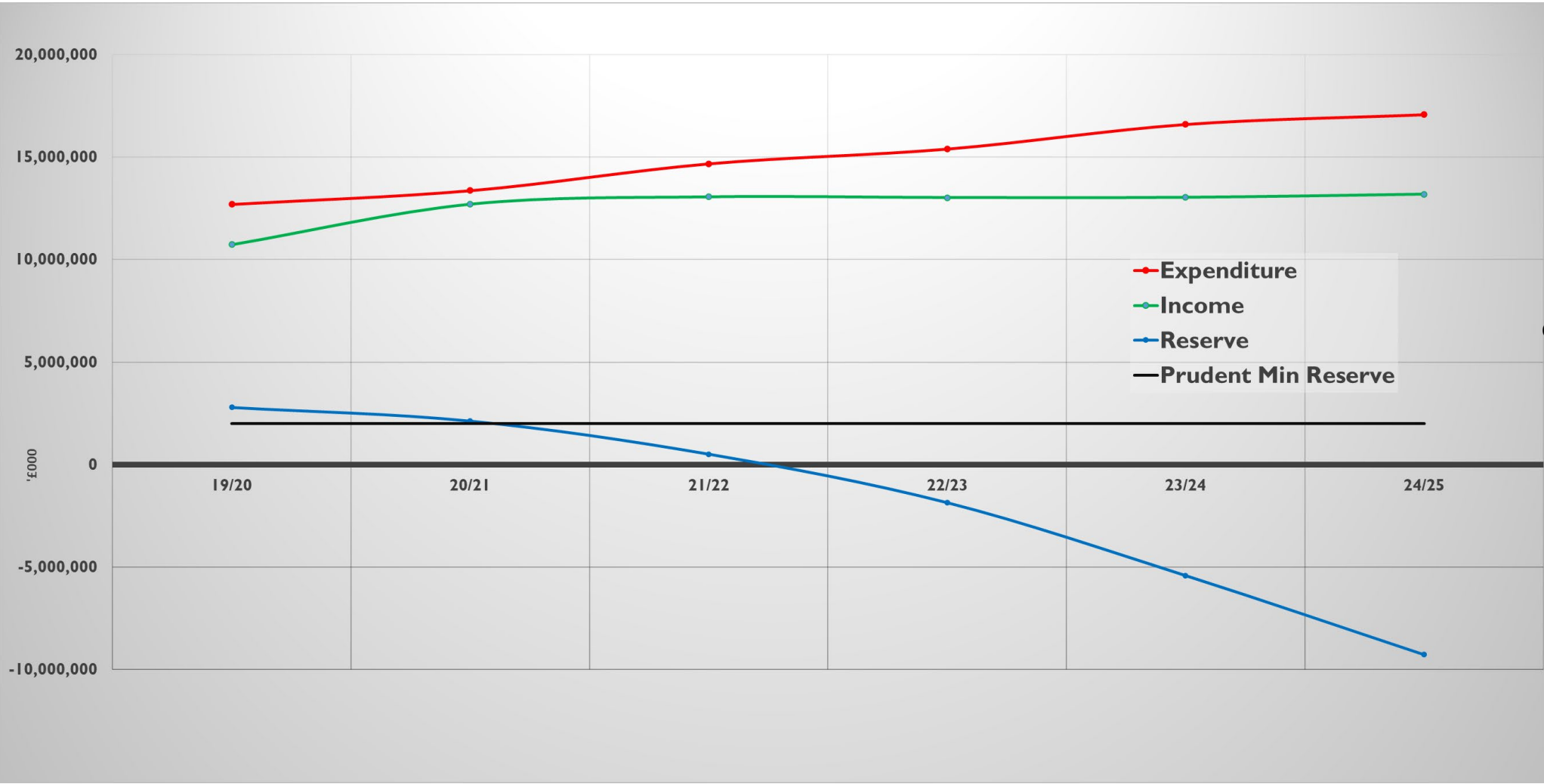
I.13 These items will be the subjects of business cases to be submitted to TBTFJC and the Joint Authorities for approval in due course. The funding of these projects has been incorporated in the long-term financial model.

I.14 Detail on the consolidated capital programme is shown in the report at Appendix 2, being the report presented as item 7.2 of the agenda pack for the 18 December 2020 meeting of TBTFJC. The programme was approved by TBTFJC for recommendation to Constituent Authorities as shown in the draft minutes at Appendix 3.





Tamar Bridge and Torpoint Ferry Financial Model 2020-2025



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Report to:	<b>Tamar Bridge &amp; Torpoint Ferry Joint Committee</b>	
Date:	<b>18<sup>th</sup> December 2020</b>	
Title:	<b>2020-2021 Budget Monitoring</b>	
Portfolio Area:	<b>Transport</b>	
Divisions Affected:	<b>All</b>	
Relevant Scrutiny Committee: <b>Economic Growth and Development</b>		
Authors, Roles and Contact Details:	<b>Jamie Wright, Service Accountant</b> 01872 323961 <a href="mailto:jamie.wright@cornwall.gov.uk">jamie.wright@cornwall.gov.uk</a> <b>Andrew Vallance, Governance and Finance Manager</b> 01752 36157 <a href="mailto:andrew.vallance@tamarcrossings.org.uk">andrew.vallance@tamarcrossings.org.uk</a>	
Approval and clearance obtained:	<b>Y</b>	
<b>For Cabinet and delegated executive decisions only</b>		
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)	<b>N</b>	
Published in advance on Cabinet Work Programme?	<b>N</b>	
Urgency Procedure(s) used if 'N' to Work Programme?	<b>N</b>	
Date next steps can be taken	<b>N/A</b>	

**Recommendations:**

1. That the revenue forecast and capital programme for 2020/21 be noted.

**1. Executive Summary**

This report contains the budget monitoring statement and forecast outturn position based on actual information available at the end of October 2020.

The report is based on a forecast that reflects the revised estimates following the COVID 19 situation, the period of non-tolling and reduced traffic flows.

The statement shows the current forecast outturn for 2020/21 and compares this with the revised budget for the year. It also contains an update on the Capital Programme for the same period.

The revenue position currently shows an overall deficit variance of £1.056m year to date which included a period of non-tolling and reduce traffic flows. Expenditure has also reduced against profiled budget. Within Capital the position shows expenditure to date of £4.216m against the latest forecast for the year of £8.359m.

The forecast reserve position based on our revised estimates is a surplus of £2.129m from a deficit position of £0.404m reported previously. This is due to the forecast grant of £2.657m from Central Government. The grant is calculated using 95% of the approved budgeted income, compared to actual income and the shortfall is paid at £0.75 in the £1.00 (75%).

## 2. Purpose of Report

The Joint Committee receives a quarterly update on its financial position in order to provide assurance that the finances of the undertaking are being managed appropriately and that any significant issues are high-lighted and necessary action is taken to address them.

### Revenue

The statement in Appendix 1 shows the revenue position for the period covering 1 April to 31 October 2020 and the forecast for the full financial year to 31 March 2021.

Within the **Bridge** cost centre, the current variance is £0.285m favourable.

The main areas of variance are within the following areas:

Premises costs there is a favourable variance of £0.140m mainly due to a reduction in the repairs and maintenance expenditure to date.

Bridge Painting and Toll Equipment are both reporting a favourable variance of £0.071m and £0.047m respectively.

Learning Centre expenses are a favourable variance of £0.052m.

The **Ferry** cost centre currently shows a favourable variance of £0.254m

The main area of variance is within Employee related expenses and shows a favourable variance of £0.096m against budget.

Ferry maintenance expenditure is showing a favourable variance of £0.076m and Marine Gas Oil a favourable £0.018m.

Other supplies and services are showing a favourable variance of £0.066m

The net saving on staff costs across the organisation reflects the organisation carrying vacancies amongst the ferry crew establishment and being unable to

recruit due to COVID. The impact of reduced crew resource is reported within the General Manager's Report.

The **Corporate** cost centre currently shows an adverse variance of £0.010m.

This is mainly due to an adverse variance of £0.028m within bank charges, but partly offset by a current underspend in relation to Consultants.

**Income** compared to profiled budget is reporting an overall adverse variance of £2.515m to date.

Cash tolls and concessionary tolls are showing an adverse variance of £0.732m.

Tag Account fees are showing an adverse variance of £0.066m and Other Income £0.167m.

MHCLG loss of income is showing an adverse variance of £1.550m. The reason for this is the grant for the loss of income for the period 1 April 2020 to 31 July 2020 totalling £1.653m was not received until November and will be reflected within the next report.

The latest income forecasts have been updated within the revised forecast.

### Capital

Appendix 2 details the Joint Committee's capital programme for the same period and the current projected forecast.

Capital expenditure to date is £4.216m with the main area of expenditure as follows:

- Bridge Kerb Units and Waterproofing Improvements - £1.495m
- Bridge Protective Coating - £0.662m
- Toll System Upgrade - £0.165m
- Bridge Structural Monitoring - £0.052m
- Ferry Refit (2) - £1.783m
- Bridge Office Development - £0.059m
- Work on Ferry Traffic Control System, Bridge resurfacing and Bridge LED Lighting is due to commence in 2020-21.

Management reviews of capital schemes have been incorporated into the capital forecast figures in the Revenue Estimates and Capital Programme Report .

### Reserves

The forecast reserve position reflects the revised estimates following the COVID 19 situation including, the period of non-tolling, reduced traffic levels and receipt of Government grants, and anticipates a surplus reserve balance at 31 March 2021 of £2.129m.

Outturn figures are heavily dependent on post-COVID19 traffic volumes to the end of the financial year. The Joint Committee will continue to be kept updated on traffic levels on a regular basis.

### Prudential Indicators

The borrowing indicators are not reported as the standard comparison with income has been significantly distorted by the fall in income associated with the lockdown and suspension of tolling.

### **3. Benefits for Customers/Residents**

Appropriate management of finances and budget monitoring ensures that appropriate resource is available for the operation, maintenance and improvement of crossings which form key elements of the local transport network which is essential to the sustainable economic and social development of the region for the benefit of residents.

### **4. Relevant Previous Decisions**

Approved budget for 2020/21 at Tamar Bridge and Torpoint Ferry Joint Committee of 6th December 2019 (TBTF/25).

<https://democracy.cornwall.gov.uk/ieListDocuments.aspx?CIId=620&MIId=9080&Ver=4>

Approved budget for 2020/21 at Cornwall Council meeting of 25 February 2020 (CC/751)

<https://democracy.cornwall.gov.uk/ieListDocuments.aspx?CIId=584&MIId=8924&Ver=4>

On recommendation of Cabinet meeting of 12 February 2020 (CAB/110)

<https://democracy.cornwall.gov.uk/ieListDocuments.aspx?CIId=577&MIId=8916&Ver=4>

### **5. Consultation and Engagement**

Not applicable.

**6. Financial Implications of the proposed course of action/decision**

Financial implications are detailed within Section 2 of this report.

**7. Legal/Governance Implications of the proposed course of action/decision**

There are no implications associated with this report.

**8. Risk Implications of the proposed course of action/decision**

There are no implications associated with this report.

**9. Comprehensive Impact Assessment Implications**

There are no implications associated with this report.

**10. Options available**

No decision is required, however, by providing regular financial monitoring to the Joint Committee assurance can be provided that the finances of the undertaking are being managed effectively and appropriately. Budget variances are explained, and remedial action can be taken to address if appropriate.

The financial monitoring information results from consultation with the Senior Management at the undertaking and the relevant officers from the joint councils.

**11. Supporting Information (Appendices)**

Appendix 1: Revenue Budget Monitoring Statement  
Appendix 2: Capital Programme Monitoring Statement

**12. Background Papers**

None

**13. Approval and clearance**

**All reports:**

<b>Final report sign offs</b>	<b>This report has been cleared by (or mark not required if appropriate)</b>	<b>Date</b>
Governance/Legal (Required for <b>all</b> reports)	Lia Musto-Shinton, Senior Corporate Governance Lawyer	17.12.20
Finance (Required for <b>all</b> reports)	Geraldine Baker, Senior Business Analyst	17/12/2020
Equality and Diversity (If required)		
Service Director (Required for <b>all</b> reports)	Vicky Fraser, Service Director – Transport (Interim)	17/12/2020
Strategic Director (If required)		

#### **Draft reports process checklist for Cabinet/individual decision reports:**

Complete the checklist below while you are drafting your Cabinet or individual decision report. It will be removed before publication.

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes/No</b>
Strategic Director briefed	<b>Yes/No</b>
Service Director sign off	<b>Yes/No</b>
Data protection issues considered	<b>Yes/No</b>
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	<b>Yes/No</b>
If not on Cabinet Work Programme, Scrutiny offered the opportunity to consider the report	<b>Yes/No</b>



## Revenue Budget Monitor Report for the Financial Year 2020/21

REVENUE SUMMARY	Year to Date			Full Year				
	Actuals plus Accruals to date £'000	Profiled Estimate to date 2020/21	Variance from Profiled Estimate £'000	Revised Forecast £'000	Previous Forecast £'000	Variance from previous Forecast £'000	Original Estimate 2020/21 £'000	Variance from Original Estimate £'000
<b>As at the end of October 20</b>								
<b>Expenditure</b>								
<b>Tamar Bridge</b>								
Employee Related Expenses	733	744	(11)	1,276	1,279	(3)	1,283	(7)
Premises Related Expenses	340	480	(140)	822	978	(156)	986	(164)
Transport Related Expenses	31	9	22	16	16	0	20	(4)
Bridge Painting	57	128	(71)	220	255	(35)	255	(35)
Toll Collection & Banking	323	370	(47)	634	634	0	700	(66)
Toll Equipment	130	117	13	201	201	0	241	(40)
Breakdown Recovery Service	234	201	33	201	201	0	201	0
Other Supplies & Services	242	272	(30)	467	452	15	492	(25)
Support Services	1	3	(2)	5	5	0	5	0
Learning Centre	1	53	(52)	90	95	(5)	95	(5)
	<b>2,092</b>	<b>2,377</b>	<b>(285)</b>	<b>3,932</b>	<b>4,116</b>	<b>(184)</b>	<b>4,278</b>	<b>(346)</b>
<b>Torpoint Ferry</b>								
Employee Related Expenses	2,020	2,116	(96)	3,628	3,492	136	3,488	140
Premises Related Expenses	141	125	16	214	241	(27)	218	(4)
Transport Related Expenses	4	17	(13)	29	29	0	32	(3)
Ferry & Vehicle Maintenance	258	334	(76)	572	572	0	572	0
Marine Gas Oil	60	78	(18)	134	159	(25)	184	(50)
Other Supplies & Services	299	365	(66)	625	585	40	598	27
Support Services	3	5	(2)	8	8	0	8	0
	<b>2,785</b>	<b>3,039</b>	<b>(254)</b>	<b>5,210</b>	<b>5,086</b>	<b>124</b>	<b>5,100</b>	<b>110</b>
<b>Corporate</b>								
Audit Fees	1	6	(5)	10	11	(1)	20	(10)
Support Services	32	30	2	52	52	0	44	8
Toll Review	0	6	(6)	10	10	0	0	10
Consultants - Other	15	29	(14)	50	50	0	50	0
Bank Charges	133	105	28	180	180	0	155	25
Tags and Accessories	173	160	13	160	160	0	197	(37)
Tag Statement Production	26	34	(8)	58	34	24	9	49
	<b>380</b>	<b>370</b>	<b>10</b>	<b>520</b>	<b>497</b>	<b>23</b>	<b>475</b>	<b>45</b>
<b>Total Revenue Expenditure</b>	<b>5,257</b>	<b>5,787</b>	<b>(530)</b>	<b>9,662</b>	<b>9,699</b>	<b>(37)</b>	<b>9,853</b>	<b>(191)</b>
<b>Income</b>								
Cash Tolls	(2,393)	(2,941)	548	(5,042)	(5,002)	(40)	(7,360)	2,318
Concessionary Tolls	(2,194)	(2,378)	184	(4,076)	(4,279)	203	(6,123)	2,047
Tag Account Fee	(160)	(226)	66	(388)	(388)	0	(466)	78
MHCLG Loss of income	0	(1,550)	1,550	(2,657)	0	(2,657)	0	(2,657)
Other Income	(148)	(315)	167	(540)	(538)	(2)	(527)	(13)
<b>Total Revenue Income</b>	<b>(4,895)</b>	<b>(7,410)</b>	<b>2,515</b>	<b>(12,703)</b>	<b>(10,207)</b>	<b>(2,496)</b>	<b>(14,476)</b>	<b>1,773</b>
<b>Operating (Surplus)/Deficit</b>	<b>362</b>	<b>(1,624)</b>	<b>1,986</b>	<b>(3,041)</b>	<b>(508)</b>	<b>(2,533)</b>	<b>(4,623)</b>	<b>1,582</b>
<b>Other</b>								
Interest on Balances	(2)	(1)	(1)	(1)	(1)	0	(10)	9
Contribution to CC MRP	765	1,264	(499)	2,167	2,167	0	2,296	(129)
CC Funding Repayment (Interest)	552	897	(345)	1,538	1,538	0	1,657	(119)
<b>Total Other</b>	<b>1,315</b>	<b>2,161</b>	<b>(846)</b>	<b>3,704</b>	<b>3,704</b>	<b>0</b>	<b>3,943</b>	<b>(239)</b>
<b>Overall Revenue (Surplus)/Deficit</b>	<b>1,677</b>	<b>537</b>	<b>1,140</b>	<b>663</b>	<b>3,196</b>	<b>(2,533)</b>	<b>(680)</b>	<b>1,343</b>
<b>Capital</b>								
Capital Expenditure funded through borrowing	4,216	4,876	(660)	8,359	12,125	(3,766)	12,125	(3,766)
Capital Expenditure funded from Revenue	0	0	0	0	0	0	0	0
<b>Total Capital</b>	<b>4,216</b>	<b>4,876</b>	<b>(660)</b>	<b>8,359</b>	<b>12,125</b>	<b>(3,766)</b>	<b>12,125</b>	<b>(3,766)</b>
<b>Debt outstanding at 1 April 2020</b>				<b>35,181</b>	<b>35,181</b>	<b>0</b>	<b>31,526</b>	<b>3,655</b>
<b>Debt outstanding at 31 March 2021</b>				<b>41,373</b>	<b>45,139</b>	<b>(3,766)</b>	<b>41,355</b>	<b>18</b>
<b>Reserve balance at 1 April 2020</b>				<b>(2,792)</b>	<b>(2,792)</b>	<b>0</b>	<b>(3,620)</b>	<b>828</b>
<b>Reserve balance at 31 March 2021</b>				<b>(2,129)</b>	<b>404</b>	<b>(2,533)</b>	<b>(4,300)</b>	<b>2,171</b>

## Revenue Budget Monitor Report for the Financial Year 2020/21

CAPITAL SUMMARY  As at the end of July 20	Current Year					Scheme Overall						Status
	Actuals to date 2020/21 £'000	Latest Forecast £'000	Previous Forecast £'000	Variance from previous Forecast £'000	Original Estimate 2020/21 £'000	Actuals to date £'000	Latest Forecast £'000	Previous Forecast £'000	Variance from previous Forecast £'000	Original Scheme Estimate £'000	Variance from Original Estimate £'000	
<b>Expenditure</b>												
<b><u>Completed Schemes</u></b>												
Rendel Park (phase 1)	0	0	0	0	0	205	205	205	0	250	(45)	Complete
Ferry Infrastructure	0	0	0	0	0	3,890	3,890	3,890	0	3,906	(16)	Complete
Electronic Tolling	0	0	0	0	0	5,331	5,331	5,331	0	5,400	(69)	Complete
Advance Signing	0	0	0	0	0	116	116	116	0	120	(4)	Complete
Ferry Marshalling Area	0	0	0	0	0	22	22	22	0	25	(3)	Complete
Bridge Office Feasibility	0	0	0	0	0	9	9	9	0	20	(11)	Complete
Bridge Car Park	0	0	0	0	0	4	4	4	0	50	(46)	Complete
Bridge Anchorage Chambers	0	0	0	0	0	73	73	73	0	100	(27)	Complete
Ferry Car Park Improvements	0	0	0	0	0	21	21	21	0	15	6	Complete
Gantry Chain Tunnel Replacement	0	0	0	0	0	261	261	261	0	225	36	Complete
R Rendel Park (phase 2)	0	0	0	0	0	154	154	154	0	95	59	Complete
Bridge Resurfacing Works (phase 1)	0	0	0	0	0	720	720	720	0	350	370	Complete
Illuminated Road Studs	0	0	0	0	0	600	600	600	0	600	0	Complete
Storage Building Devonport	0	0	0	0	0	54	54	54	0	40	14	Complete
Ferry Sewage Treatment Plant	0	0	0	0	0	250	250	250	0	165	85	Complete
R Footpath 24 Reinstatement	0	0	0	0	0	29	29	29	0	210	(181)	Complete
Bridge Handstrands	0	0	0	0	0	14	14	14	0	500	(486)	Withdrawn
R Plaza Canopy Access Works	0	0	0	0	0	21	21	21	0	40	(19)	Complete
Devonport Traffic Control System	0	0	0	0	0	0	0	0	0	26	(26)	Revenue works
Ferry Works Vehicle	0	0	0	0	0	0	0	0	0	60	(60)	Withdrawn.
Bridge Half Joint Replacement	0	0	0	0	0	0	0	0	0	100	(100)	Works withdrawn
Rendel Park Sea Wall Stabilisation	0	0	0	0	0	32	32	32	0	55	(23)	Complete
Bridge Main Joint Replacement	0	0	0	0	0	250	250	250	0	500	(250)	Complete
Bridge Access Works	0	0	0	0	0	754	770	770	0	691	79	Complete
Bridge Weigh in Motion	0	0	0	0	0	42	42	42	0	150	(108)	Complete
<b><u>Current Programme</u></b>												
Bridge Protective Coating	662	1,313	1,083	230	1,083	7,919	8,570	8,570	0	8,000	0	WIP
Bridge Structural Monitoring System	52	0	0	0	0	185	185	170	15	100	85	Works completed
Bridge Office Development	59	0	0	0	0	5,556	5,483	5,440	43	4,690	793	Works completed
Bridge Kerb Units and Waterproofing Improvements	1,495	3,415	0	3,415	0	1,506	4,750	3,850	900	2,000	2,750	Works delayed now due to complete in 20-21
Suspension System Remedial Work	0	0	0	0	0	7,206	6,770	6,960	(190)	6,000	770	Works completed
Ferry Traffic Control Systems	0	0	900	(900)	900	0	900	900	0	600	300	Works now due to commence in 20-21
Bridge LED Lighting	0	0	100	(100)	100	0	250	100	150	100	150	Works due to commence in 20-21
Toll System Upgrade	165	686	127	559	127	989	1,725	1,275	450	1,275	450	Works due to complete in 20-21
Bridge Resurfacing Works (Phase 2)		0	6,000	(6,000)	6,000	0	6,500	6,000	500	4,000	2,500	Works due to commence in 20-22
Ferry Refit (Year 2)	1,783	1,795	1,415	380	1,415	1,436	6,731	4,320	2,411	4,320	2,411	Capitalisation of works taken place in 19-20 & 20-21
<b><u>Potential Future Schemes (subject to business Case)</u></b>												
Parapet Works		0	1,500	(1,500)	1,500	0	2,000	2,000	0	6,000	(4,000)	Works due to commence in 20-21
Bridge Access (Phase 4)				0		0	500	500	0	250	250	Works due to commence in 21-22
Main Cable Remediation		1,150	1,000	150	1,000	0	2,000	2,000	0	2,000	0	Works due to commence in 20-21
Supplementary Cable Works				0		4	2,000	2,000	0	2,000	0	Works due to commence in 21-22
Ferry Gantry Tower Replacement						0	840	0	840	0	840	Works due to commence in 21-22
Rocker/Pendle Remedial Works				0		0	10,000	10,000	0	10,000	0	Works due to commence in 21-22
	<b>4,216</b>	<b>8,359</b>	<b>12,125</b>	<b>(3,766)</b>	<b>12,125</b>	<b>37,653</b>	<b>72,072</b>	<b>66,953</b>	<b>5,119</b>	<b>65,028</b>	<b>6,474</b>	
<b>Funding</b>												
Prudential Borrowing	4,216	8,359	12,125	(3,766)	12,125	35,922	68,941	63,822	5,119	60,499	8,442	
Capital Receipts	0	0	0	0	0	20	20	20	0	60	(40)	
Revenue Contributions	0	0	0	0	0	1,711	3,111	3,111	0	4,469	(1,358)	
	<b>4,216</b>	<b>8,359</b>	<b>12,125</b>	<b>(3,766)</b>	<b>12,125</b>	<b>37,653</b>	<b>72,072</b>	<b>66,953</b>	<b>5,119</b>	<b>65,028</b>	<b>7,044</b>	

Report to:	<b>Tamar Bridge &amp; Torpoint Ferry Joint Committee</b>	
Date:	<b>18<sup>th</sup> December 2020</b>	
Title:	<b>2021/22 Revenue Estimates &amp; Capital Programme</b>	
Portfolio Area:	<b>Transport</b>	
Divisions Affected:	<b>All</b>	
Local Member(s) briefed:	<b>NA</b>	
Relevant Scrutiny Committee: <b>Economic Growth and Development</b>		
Authors, Roles and Contact Details:	<b>Jamie Wright , Service Accountant 01872 322109</b> <a href="mailto:jamie.wright@cornwall.gov.uk">jamie.wright@cornwall.gov.uk</a> <b>Andrew Vallance, Governance and Finance Manager</b> <b>01752 361577</b> <a href="mailto:andrew.vallance@tamarcrossings.org.uk">andrew.vallance@tamarcrossings.org.uk</a>	
Approval and clearance obtained:		<b>Y</b>
<b>For Cabinet and delegated executive decisions only</b>		
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)		<b>N/A</b>
Published in advance on Cabinet Work Programme?		<b>N/A</b>
Urgency Procedure(s) used if 'N' to Work Programme?		<b>N/A</b>
Date next steps can be taken		<b>See Parent Authorities Meetings Timetable</b>

**Recommendations:**

1. That the Cabinets of the Joint Authorities recommend to their Full Councils that the 2021/22 revenue estimates and capital programme be approved; and
2. the longer term forecast to 2024/25 is noted.

**1 Executive Summary**

- 1.1 This report sets out for consideration and approval, the proposed revenue estimates (budget) for the Joint Committee for 2021/22 and indicative figures for the subsequent three years 2022/23, 2023/24 and 2024/25, together with the proposed capital programme.
- 1.2 The reserve position at 31 March 2021 is forecast to be £2.129m. Indicatively, future years show that the reserve position is below the £2.000m reserve level until 2024/25. For the years 2022/23 onwards, there are no reserve remaining, and by 2024/25, an adverse balance of £9.272m.

## 2 Purpose of Report and key information

- 2.1 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.
- 2.2 In developing the budgets for 2021/22 to 2024/25 set out within appendix 1, the following inflationary and interest assumptions have been used:

<b>Rates</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Inflation	2.00%	2.00%	2.00%	2.00%
Interest (Receivable)	1.00%	1.00%	1.00%	1.00%
Interest (Payable) existing borrowing	4.68%	4.68%	4.68%	4.68%
Interest (Payable) new borrowing	3.38%	3.38%	3.38%	3.38%

- 2.3 The second interest rate payable line above reflects the revised offer made by Cornwall Council for new loans agreed from April 2019. It should be noted that the rate will only be fixed when loans are taken out and future rates are subject to movement in the general market. Loans that predate April 2019 will continue to be calculated using Cornwall's consolidated rate of interest.
- 2.4 The proposed budget is set out in Appendix 1. The variations between the latest 2020/21 forecast and the proposed 2021/22 budget are listed on page 5 of Appendix 1. The 2022/23 to 2024/25 estimates are only indicative.

2.5 Some of the more significant items included in the proposed budget are as follows:

### **Corporate**

In 2020/21 the income has been adversely affected by COVID-19 including a period of non-tolling and reduced traffic levels, with a forecast 90% on-going traffic levels for 2021/22, there will be an increase in the income budget of £0.357m compared to the 2020/21 revised figure.

The tag statement budget has been decreased by £0.058m, reflecting saving associated with completion of the toll refresh project.

Tag purchases has increased by £0.030m

### **2.6 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;

- £0.072m increase in toll cash handing,
- £0.096m increase in relation to tolling equipment,
- an increase of £0.027m within Bridge & Gantry Inspections following a review of the budget provision required to the end of the financial year

### **2.7 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:

- £0.077m reduction in agency staff, following completion of direct recruitment of multiple maintenance worker vacancies
- £0.035m increase in employee costs following a reduction in agency staff.
- £0.051m increase in R&M building and Grounds Maintenance
- £0.058m increase in R&M Ferries and Infrastructure

2.8 The proposed capital programme is shown in Appendix 2. Work has been undertaken by officers to assess the current capital programme and the revised estimate for 2020/21 is now anticipated at £8.359m, a decrease of £3.765m. The main changes are

- £0.230m additional expenditure for completion of bridge protective coating
- Reprofile of £0.900m for Ferry Traffic Control System into 2021/22
- £3.415m for Bridge Kerb Units and Waterproofing Improvement (reprofiled from 19/20)
- Additional spend of £0.559m for the Toll System Upgrade (reprofiled from 19/20)
- Additional £0.380m for the ferry refit
- Movement of £0.200m for the Parapet Works into 2021/22 as a future scheme

Movement of £6.000m for the Bridge Resurfacing Works into 2021/22.

## **2.9 Reserves**

The reserve position as at the 31 March 2021 (Appendix 3) is forecast to be £2.129m. The forecast for 2021/22 end of year reserve position is £0.515m and the 2022/23 forecast outturn is a reduction to a deficit position of £1.852m. Future years show that the reserve position will increase its deficit position to £9.272m in 2024/25.

The Joint Committee receives a quarterly update on its financial position in order to provide assurance that the finances of the undertaking are being managed appropriately and that any significant issues are highlighted and necessary action is taken to address them. This quarter's update also provides for a fully revised budget position.

## **3 Benefits for Customers/Residents**

- 3.1 Appropriate management of finances and budget monitoring ensures that appropriate resource is available for the operation, maintenance and improvement of crossings which form key elements of the local transport network which is essential to the sustainable economic and social development of the region for the benefit of residents.

## **4 Relevant Previous Decisions**

Approved budget for 2020-21 at Cornwall Council meeting of 25<sup>th</sup> February 2020 (CC/751) [TBTF Revenue Estimates and Capital Programme 2020/21](#)

**5 Consultation and Engagement**

5.1 Not applicable.

**6 Financial Implications of the proposed course of action/decision**

6.1 Financial implications are detailed within Section 2 of this report.

**7 Legal/Governance Implications of the proposed course of action/decision**

7.1 There are no legal or governance implications associated with this report providing the correct approval route for the budget is followed.

**8 Risk Implications of the proposed course of action/decision**

8.1 There are no implications associated with this report

**9 Comprehensive Impact Assessment Implication**

9.1 There are no implications associated with this report

**10 Options available**

10.1 To approve the proposed revenue budget for 2021-22 and Capital programme as set out in Appendix 1 & 2

10.2 To not approve the proposed revenue budget for 2021-22 and Capital Programme as set out in Appendix 1 & 2

**11 Supporting Information (Appendices)**

11.1 Appendix 1-3 TBTF Budget 2021-22

**12 Background Papers**

12.1 None

**13 Approval and clearance**

**All reports:**

<b>Final report sign offs</b>	<b>This report has been cleared by (or mark not required if appropriate)</b>	<b>Date</b>
Governance/Legal (Required for <b>all</b> reports)	Lia Musto-Shinton, Senior Corporate Governance Lawyer	17/12/2020
Finance (Required for <b>all</b> reports)	Geraldine Baker, Senior Business Analyst	17/12/2020
Equality and Diversity (If required)		
Service Director (Required for <b>all</b> reports)	Vicky Fraser, Service Director – Transport (Interim)	17/12/2020
Strategic Director (If required)		



**Revenue Budget 2021/22  
and Indicative Projections for 2022/23 to 2024/25**

<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	2020/21 Original Budget £'000	2020/21 Revised Forecast £' 000	2021/22 Budget £' 000	2022/23 Indicative £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000
<b>Operational Summary</b>						
Income	(14,478)	(12,704)	(13,061)	(13,028)	(13,038)	(13,191)
Expenditure						
Corporate	475	521	492	491	444	453
Bridge Operations	4,183	3,842	4,140	4,259	4,276	4,314
Ferry Operations	5,084	5,210	5,368	5,425	5,528	5,614
Learning Centre	95	90	91	83	383	91
	9,837	9,663	10,091	10,258	10,631	10,472
<b>Operating (Surplus)/Deficit</b>	(4,641)	(3,041)	(2,970)	(2,770)	(2,407)	(2,719)
<b>Contribution to CC MRP</b>	2,158	2,167	2,860	3,236	3,728	4,431
<b>Interest on CC Financing</b>	1,543	1,538	1,725	1,902	2,239	2,169
<b>Interest on Joint Committee balances</b>	(10)	(1)	(1)	(1)	(1)	(20)
<b>Capital Expenditure financed from Revenue</b>	0	0	0	0	0	0
<b>Overall (Surplus)/Deficit on Undertaking</b>	(950)	663	1,614	2,367	3,559	3,861
<b>Reserve Balance brought forward</b>	(2,928)	(2,792)	(2,129)	(515)	1,852	5,411
<b>Reserve Balance carried forward</b>	(3,878)	(2,129)	(515)	1,852	5,411	9,272

## TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CORPORATE	2020/21 Budget £' 000	2020/21 Revised Forecast £' 000	2021/22 Budget £' 000	2022/23 Indicative £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000
<b><u>INCOME</u></b>						
<b>Tolls</b>						
Toll income - Bridge	(6,468)	(4,461)	(5,821)	(5,821)	(5,821)	(5,879)
Toll income - Ferry	(892)	(581)	(802)	(802)	(802)	(819)
Concessionary toll income - Bridge	(5,465)	(3,649)	(4,919)	(4,919)	(4,919)	(4,968)
Concessionary toll income - Ferry	(658)	(428)	(593)	(593)	(593)	(604)
	(13,483)	(9,119)	(12,135)	(12,135)	(12,135)	(12,270)
<b>Other</b>						
Tag Account Fee	(466)	(388)	(388)	(388)	(388)	(396)
Saltash Tunnel control	(385)	(392)	(400)	(408)	(416)	(424)
Tag statements	0	0	0	0	0	0
Grant Income	(42)	(42)	(41)	0	0	0
MHG Covid Grant	0	(2,657)				
Other Income	(102)	(106)	(97)	(97)	(99)	(101)
	(995)	(3,585)	(926)	(893)	(903)	(921)
<b>TOTAL INCOME</b>	<b>(14,478)</b>	<b>(12,704)</b>	<b>(13,061)</b>	<b>(13,028)</b>	<b>(13,038)</b>	<b>(13,191)</b>
<b><u>EXPENDITURE</u></b>						
<b>Other Expenditure</b>						
Support services	44	52	46	46	47	48
Tag statements	9	58	0	0	0	0
Purchase of tags	197	160	190	194	198	202
Bank charges	155	180	180	184	187	191
Internal Audit fees	19	10	10	10	11	11
External Audit fees	1	1	1	1	1	1
Consultants	50	50	50	51	0	0
Cost of Toll Review	0	10	15	5	0	0
<b>TOTAL EXPENDITURE</b>	<b>475</b>	<b>521</b>	<b>492</b>	<b>491</b>	<b>444</b>	<b>453</b>

## TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

BRIDGE OPERATIONS	2020/21 Budget £' 000	2020/21 Revised Forecast £' 000	2021/22 Budget £' 000	2022/23 Indicative £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000
<b>Employees</b>						
Salaries and wages	1,214	1,221	1,236	1,277	1,290	1,302
Agency staff	52	45	30	30	31	31
Indirect employee expenses	17	11	22	22	21	22
<b>Premises</b>						
Repair and maintenance - buildings & grounds	65	65	98	98	99	100
Repair and maintenance - bridge & infrastructure	734	575	605	605	605	611
Bridge & gantry inspections	240	205	232	232	232	234
Energy costs, water, rent and rates	156	156	149	151	152	154
Insurances	28	32	32	33	33	33
Other premises costs	18	10	10	10	10	11
<b>Transport Related Expenses</b>						
Staff travel	20	16	20	20	20	21
<b>Supplies &amp; Services</b>						
Operational expenses	355	315	411	422	413	415
Office expenses	352	342	359	391	391	392
Toll collection & banking	700	634	706	734	741	748
Breakdown recovery	201	201	205	210	212	215
Other expenses	26	9	20	19	21	19
<b>Support service charges</b>	5	5	5	5	5	6
<b>Net Expenditure - Bridge Operations</b>	<b>4,183</b>	<b>3,842</b>	<b>4,140</b>	<b>4,259</b>	<b>4,276</b>	<b>4,314</b>

## TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

FERRY OPERATIONS	2020/21 Budget £' 000	2020/21 Revised Forecast £' 000	2021/22 Budget £' 000	2022/23 Indicative £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000
<b>Employees</b>						
Salaries and wages	3,408	3,468	3,503	3,573	3,644	3,717
Agency staff	18	118	41	42	42	43
Indirect employee expenses	62	42	62	63	65	67
<b>Premises</b>						
Repair and maintenance - buildings & grounds	41	41	92	44	45	46
Energy costs, water, rent and rates	90	90	92	94	96	97
Other premises costs	73	83	84	86	88	89
<b>Transport Related Expenses</b>						
Staff travel	32	30	33	34	34	35
<b>Supplies &amp; Services</b>						
Repair & maintenance - ferries & infrastructure	572	572	630	642	627	638
Annual refit - ferries	0	0	0	0	0	0
Fuel costs (Marine Gas Oil)	184	134	161	164	168	171
Insurances	127	149	153	156	158	162
Operational expenses	154	171	187	181	204	199
Office expenses	306	296	312	328	339	331
Other expenses	10	9	10	10	10	11
<b>Support service charges</b>	7	7	8	8	8	8
<b>Net Expenditure - Ferry Operations</b>	<b>5,084</b>	<b>5,210</b>	<b>5,368</b>	<b>5,425</b>	<b>5,528</b>	<b>5,614</b>

## Page 36

**Variations between the Revised 2020/21 and 2021/22 Original Estimates**

The variation of £0.951m between the revised budgeted cost for 2020/21 and the original budgeted cost for 2021/22 is accounted for as follows:

	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
<b>Corporate</b>			
Additional Income in respect of the proposed toll increase - cash	(1,581)		
Additional Income in respect of the proposed toll increase - concessions	(1,435)		
HMG Covid Grant	2,657		
Other income, mainly HLF grant less in 20/21	2		
Support Services	(6)		
Tag Statements	(58)		
Purchase of Tamar Tags and Accessories	30		
Cost of Toll Review	5		
	<hr/>	(386)	
<b>Bridge</b>			
Employees costs reflecting increase for pay awards, increments NI and Superann	15		
Agency staff budget reduced	(15)		
Indirect employee expenses	11		
R&M building and grounds	33		
R&M Bridge and Infrastructure - painting budget	30		
Bridge & Gantry Inspections budget reviewed and revised for 21-22 requirements	27		
Energy costs, water, rent and rates - small reduction	(7)		
Staff Travel - small inflationary increase	4		
Toll Equipment - additional development	96		
Office expenses - inflationary increases plus additional hardware and software budget provision	17		
Toll Cash Handling - contract inflationary increase and to add back budget reduction due to covid 19	72		
Other Expenses- inflationary increase, catering provisions and additional conference budget	15		
		<hr/> 298	
<b>Ferry</b>			
Employees costs reflecting increase for pay awards, increments NI and Superann	35		
Agency staff budget reduced	(77)		
Indirect employee expenses	20		
Energy costs, water, rent and rates - small inflationary increase	2		
Other premises costs, small inflationary increase	1		
R&M Building and grounds maintenance	51		
R&M Ferries and Infrastructure	58		
Travel budgets	3		
Marine Oil	27		
Insurance small inflationary increase	4		
Operational Expenses	16		
Office Expenses - small reduction in budget	18		
		<hr/> 158	158
<b>Other</b>			
Learning Centre small inflationary increase	1		
MRP and Interest revisions to reflect new capital programme	880		
		<hr/> 881	
			<hr/> <hr/> <b>951</b>

**TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE**

**Capital Programme 2021/22 to 2024/25**

## TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CAPITAL PROGRAMME	Actual Payments to 2019/20 £'000	Estimated Payments 2020/21 £'000	Estimated Payments 2021/22 £'000	Estimated Payments 2022/23 £'000	Estimated Payments 2023/24 £'000	Estimated Payments 2024/25 £'000	Estimated Final Cost Total £'000
<b>Completed Schemes</b>							
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
Bridge Access Works	770	0	0	0	0	0	770
Bridge WIM	42	0	0	0	0	0	42
Bridge Main Joint Replacement	250	0	0	0	0	0	250
<b>Current Programme</b>							
Bridge Protective Coating	7,256	1,313	0	0	0	0	8,569
Bridge Structural Monitoring System	185	0	0	0	0	0	185
Bridge Office Development	5,483	0	0	0	0	0	5,483
Bridge Kerb Units and Waterproofing	1,335	3,415	0	0	0	0	4,750
Suspension System Remedial Works	6,770	0	0	0	0	0	6,770
Ferry Traffic Control Systems	0	0	900	0	0	0	900
Bridge LED Lighting	0	0	250	0	0	0	250
Main Cable Remedial Works	0	1,150	850	0	0	0	2,000
Toll System Upgrade	989	686	50	0	0	0	1,725
Bridge Resurfacing Works - Phase 2	0	0	6,500	0	0	0	6,500
Ferry Refits	1,436	1,795	0	0	1,750	1,750	6,731
<b>Future Programme (Not approved)</b>							
Bridge Access Improvement - Phase 4	0	0	70	180	250	0	500
Supplementary Cable Works	0	0	0	2,000	0	0	2,000
Parapet Works	0	0	200	1,800	0	0	2,000
Ferry Gantry Tower Replacment	0	0	40	0	400	400	840
Rocker/Pendle Remedial Works	0	0	0	10,000	0	0	10,000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>36,322</b>	<b>8,359</b>	<b>8,860</b>	<b>13,980</b>	<b>2,400</b>	<b>2,150</b>	<b>72,071</b>
<b>FINANCING</b>							
Prudential Borrowing	34,573	8,359	8,860	13,980	2,400	2,150	70,322
Capital Receipts	38	0	0	0	0	0	38
Revenue Financing	1,711	0	0	0	0	0	1,711
<b>TOTAL FINANCING</b>	<b>36,322</b>	<b>8,359</b>	<b>8,860</b>	<b>13,980</b>	<b>2,400</b>	<b>2,150</b>	<b>72,071</b>



**TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE**

**Statement of Estimated Reserves  
for 2020/2021 to 2024/2025**

## TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

RESERVES AND PROVISIONS	2020/21 Original Budget £'000	2020/21 Revised Forecast £' 000	2021/22 Budget £' 000	2022/23 Indicative £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000
Balance brought forward	(2,928)	(2,792)	(2,129)	(515)	1,852	5,411
Net movement for year	(950)	663	1,614	2,367	3,559	3,861
<b>Balance Carried Forward</b>	<b>(3,878)</b>	<b>(2,129)</b>	<b>(515)</b>	<b>1,852</b>	<b>5,411</b>	<b>9,272</b>

## **TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE**

MINUTES of a Meeting of the Tamar Bridge and Torpoint Ferry Joint Committee held at Online - Virtual Meeting on Friday 18 December 2020 Commencing at 10.00 am

Present:-

### **Cornwall Council Members**

Sam Tamlin (Co-Chair)

Geoff Brown, Gary Davis, Derek Holley and Sheila Lennox-Boyd

### **Plymouth City Council Members**

Mark Coker (Co-Chair)

Pam Buchan, Jonathan Drean, Michael Leaves and George Wheeler

Apologies for (None)  
absence:

### **CHAIRMAN'S ANNOUNCEMENTS**

TBTF/20

The Joint Chairman (Cornwall) announced that Paul Davey, Tamar Crossings would shortly be retiring and thanked him on behalf of the Committee for his longstanding work with the ferry service.

### **ELECTION OF JOINT CHAIRMAN (PLYMOUTH) FOR 2020/21**

(Agenda No. 2)

TBTF/21

It was moved by Councillor Wheeler, seconded by Councillor Buchan, and

**RESOLVED** that Councillor Coker be elected Joint Chairman (Plymouth) for 20120/21.

### **DECLARATIONS OF INTEREST**

(Agenda No. 3)

Tamar Bridge and Torpoint Ferry Joint Committee  
18 December 2020

TBTF/22

There were no declarations of interest.

**MINUTES OF THE MEETING HELD ON 11 SEPTEMBER 2020**

(Agenda No. 4)

TBTF/23

It was moved by Councillor Tamlin, seconded by Councillor Brown, and

**RESOLVED** That the Minutes of the meeting of the Tamar Bridge and Torpoint Ferry Joint Committee held on 11 September 2020 were correctly recorded and that they be signed by the Chairman.

**PUBLIC QUESTIONS**

(Agenda No. 5)

TBTF/24

There were no questions from the Public.

**GENERAL MANAGER'S QUARTERLY REPORT**

(Agenda No. 6)

TBTF/25

The Committee noted the General Manager's Quarterly Report (previously circulated), presented by the General Manager, Tamar Bridge and Torpoint Ferry.

In response to comments and questions from Joint Committee Members, Officers confirmed:-

- Future reports would reference the Parapet works under a separate heading;
- A press release would make reference to the specialised tarmac/asphalt used when resurfacing the bridge to inform the public;
- They were still investigating the cause of the wire breaks around the perimeter of the two supplementary cables;
- Future reporting would provide further detail regarding the percentage of Ferry crossings achieved.

Members of the Committee thanked staff for the work undertaken during difficult circumstances.

**JOINT UNDERTAKING**

(Agenda No. 7)

## **BUDGET MONITORING 2020-21**

(Agenda No. 7.1)

TBTF/26

The Committee noted the report and updated report of the Service Director, Transport, (previously circulated), presented by the Service Accountant.

In response to comments and questions from Joint Committee Members, Officers confirmed that the report had omitted to include reference to Plymouth City Council's Relevant Previous Decisions within paragraph 4 of the report.

Noted That the Committee adjourned for a comfort break at the conclusion of the above item between 10.58 and 11.04am.

## **REVENUE ESTIMATES AND CAPITAL PROGRAMME 2021-22**

(Agenda No. 7.2)

TBTF/27

The Committee considered the report and updated report of the Service Director, Transport and Infrastructure (previously circulated), presented by the Service Accountant. The Committee noted the longer term forecast to 2024/25.

In response to comments and questions from Joint Committee Members, Officers confirmed:

- Clarification of the budget changes referred to in paragraph 2.6 of the report;
- The parapet works would require governance approval in order to undertake the works;
- Reference to the LED bridge lighting referred to street lighting.

It was moved by Councillor Brown, seconded by Councillor Coker and

**RESOLVED** That:-

i)The Joint Chairman (Cornwall) and Joint Chairman (Plymouth) write to the Minister for Transport seeking reassurance that the commitment to discuss the opportunities for investment by Highways England towards the road across the bridge be fulfilled.

ii) **It be Recommended to the Council via the Cabinet of each Parent Authority** that the 2021/22 revenue estimates and capital programme be approved.

**COVID19 FINANCIAL IMPACTS AND FUTURE FINANCING**

(Agenda No. 8)

TBTF/28

The Committee noted the Covid 19 Financial Impact and Future Financing report (previously circulated), presented by the General Manager, Tamar Bridge and Torpoint Ferry.

In response to comments and questions from Joint Committee Members, Officers confirmed that consideration would be given to referencing the data relating to the confidence level within the consultation findings in future reporting.

It was proposed by Councillor Tamlin, seconded by Councillor Coker and :-

**RESOLVED** that a Member/Officer workshop is held in January 2021 to review the findings of public consultation and review the financial position.

Councillor Tamlin wished Members season's greetings for the festive season.

The meeting ended at 11.30 am

Although the minutes, once agreed and signed, are the formal record of the meeting, a video recording of the meeting can be viewed at the following link:-

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_OWVmZTZkNDEtZjBjMS00OWU3LTlmODktY2U5NDVmZTdkNDE2%40thread.v2/0?context=%7b%22Tid%22%3a%22efaa16aa-d1de-4d58-ba2e-2833fd9f%22%2c%22Oid%22%3a%22d52ab32b-bed2-4828-a093-ac100ad2951b%22%2c%22IsBroadcastMeeting%22%3atrue%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_OWVmZTZkNDEtZjBjMS00OWU3LTlmODktY2U5NDVmZTdkNDE2%40thread.v2/0?context=%7b%22Tid%22%3a%22efaa16aa-d1de-4d58-ba2e-2833fd9f%22%2c%22Oid%22%3a%22d52ab32b-bed2-4828-a093-ac100ad2951b%22%2c%22IsBroadcastMeeting%22%3atrue%7d)

# Cabinet



Date of meeting:	12 January 2021
Title of Report:	<b>Digital Plan (2020-23)</b>
Lead Member:	Councillor Jon Taylor (Cabinet Member for Education, Skills and Transformation)
Lead Strategic Director:	Andy Ralphs (Strategic Director of Customer and Corporate Services)
Author:	Mandy Macdonald
Contact Email:	amanda.macdonald@plymouth.gov.uk
Your Reference:	N/A
Key Decision:	Yes
Confidentiality:	Part I - Official

## Purpose of Report

The Digital Plan (2020-23) sets out our digital ambition for the next three years.

This is an overarching document which gives a clear direction for the council to:

- meet the growing demands for seamless digital services
- use data and technology to ensure limited public resources are used wisely
- work with residents, businesses and partners to maximise the use of digital technology and data, creating innovative solutions for shared challenges
- ensure everyone can benefit from digital technology and the internet

## Recommendations and Reasons

Recommend that the Digital Plan (2020-23) is approved by Cabinet because digital has been identified as key enabler for delivering change to deliver the following outcomes:

- a better and more consistent customer experience
- improved reputation in responding to raised expectations for ease of access and 24/7 online services
- more cost effective and efficient ways of working
- improved digital access, skills and opportunities across the city
- collaboration and identification of shared digital challenges, issues and opportunities across the city

- supporting business growth and infrastructure development
- improved resilience in light of an uncertain future (post COVID-19)

**Alternative options considered and rejected**

N/A

**Relevance to the Corporate Plan and/or the Plymouth Plan**

This plan complements and will help us deliver our Corporate Plan.

“Making Plymouth a fairer city, where everyone does their bit “

**Listening to our customers and communities**

We will use digital tools to make it easier for customers and communities to have their say and engage in the democratic process.

**Providing quality public services**

We will design services with users so their needs are met. We'll prioritise our customers' needs above our organisational silos and local internal working practices.

**Motivated, skilled and engaged staff**

We will build our digital skills and knowledge across the organisation. Staff will have the right tools, systems and data to enable them to continually improve processes and performance.

**Spending money wisely**

Well designed, user-centric digital services will be more cost-effective. Ensuring the majority can self-serve digitally will mean other resources can be freed up for those with more complex needs. We'll use data to target our resources in the right areas.

**A strong voice for Plymouth regionally and nationally**

We've signed up to the Local Digital Declaration which commits us to working in the open wherever we can. We'll share our plans and experience, and work collaboratively with other organisations, Local Authorities and MHCLG, to re-use good practice.

This plan also links to the Plymouth City Council IT plan 2020-23. The IT plan aims to ensure we have the right technology in place to drive transformational change and service improvement.

The plan supports the Accommodation Framework 2020-2023, particularly in enabling flexible ways of working and improving access to services online.

In addition, the Digital Plan supports our People Plan 2020-24 which commits us to becoming a workforce that is adaptable to the changes local authorities will face over the next five years.

The Digital Plan has been developed during the COVID-19 pandemic and lessons learned have informed the vision, principles and themes. The plan complements Resurgam: Plymouth's COVID-19 Economic Recovery Plan, which sets out our proposals and plans for reducing the impact of COVID-19 and delivering a more equal, sustainable and prosperous city post-COVID-19.



**Implications for the Medium Term Financial Plan and Resource Implications:**

No direct implications identified.

**Carbon Footprint (Environmental) Implications:**

None specifically identified as yet.

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The document includes our desired outcome to tackle digital exclusion which promotes equality of opportunity.

**Appendices**

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Digital Plan (2020-23)							

**Background papers:**

*\*Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
N/A							

**Sign off:**

Fin	djn.20 .21.20 I	Leg	It/359 17/23 1220	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Pete Honeywell (Transformation Architecture Manager)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 01/12/2020											
Cabinet Member approval: Councillor Jon Taylor (Cabinet Member for Education, Skills and Transformation) Date approved: 05/01/2021											

**DIGITAL PLAN  
2020 TO 2023**



**Contents**

1. Introduction ..... 2

2. About this plan ..... 4

3. Vision and aims for our Digital Plan ..... 6

4. Our digital and data principles ..... 7

5. Digital customer..... 10

6. Digital workforce..... 13

7. Digital city..... 16

8. Digital communities..... 18

9. Measuring progress and how to get involved ..... 20

## 1. Introduction

The internet and digital technologies have revolutionised the way people live, work and connect. The change has been rapid and is continuing at pace as technology and ideas evolve.

As a council we want to be ready for the future; embracing digital for the benefit of Plymouth's residents, businesses, students and visitors, and for our own workforce.

In the internet age, people want to be able to transact and find information online, and expect the experience to be straightforward, convenient and seamless. How residents and service users interact with the council should be no different.

Our staff too, have similar expectations for a seamless digital experience; so it's vital that we provide our workforce with the right digital skills and tools to help them work in more efficient and cost-effective ways.

The COVID-19 pandemic has highlighted the need for the council to operate differently and with added resilience. At the beginning of the first lockdown we changed many of our services almost overnight in order to make sure they could continue to run. Digital technology enabled this rapid change, allowing our staff to work safely and flexibly, and ensuring residents and businesses could get the help and information needed despite the need to socially distance.

We were able to respond so quickly and effectively because some of the foundations were already in place and we could accelerate the shift to a digital ways of operating. We now need to build on these foundations and take a consistent digital approach to designing, delivering and operating our services; an approach which will enable us to do more for less, and offer more resilience in light of an uncertain future.

However, our digital ambition needs to extend beyond the council if we want our city to thrive in the modern world. We aim to collaborate and align our digital ambition with partners across the city, and co-ordinate our approach so we can use digital technologies and data to provide better outcomes for the people who live, work and study in Plymouth.

We want Plymouth to become an attractive proposition for business and innovation. High speed internet access is now often seen as the fourth utility and is an important factor for residents and businesses when considering living, working or investing in the city. We need to work with internet service providers and unlock investment opportunities to improve both fibre and mobile connectivity across Plymouth. We also need to ensure our residents have the skills to access the jobs of the future, to be able to take advantage of opportunities in a growing digital, data and technology industry.

In addition to having the right digital work skills, we want all our residents to have digital life skills. Being online can save time and money, provide opportunities for learning, help us manage our health, access government services, and connect to others. COVID-19 highlighted the drawbacks of being digitally excluded; those who had previously thought they had no need to be online became isolated, with no access to online tools such as video calling, shopping and banking.

COVID-19 also highlighted the issue of digital and data poverty. For those who couldn't afford home broadband or had no or limited mobile contract and relied on free internet access in schools, libraries, community centres or cafes, were suddenly locked out.

We need to work with partners across the city to tackle digital exclusion whether the barriers are access, skills, motivation or confidence. We're committed to making sure that those who need help in the city know where to find it.

We also recognise that digital is harder for some people and we will make sure that those who don't have the access or skills to make the most of digital aren't left behind.

As a council we're already well underway building new capability to deliver our ambition:

- a digital programme has been initiated to deliver on the outcomes in this plan
- our employees are equipped with the right technology to be able to work flexibly and productively to deliver services
- with our public sector partners and IT providers we are delivering a full fibre network and 5G capability across the city
- we're creating a service design team who will apply Government Digital Service methods to redesign services focussing on user needs and ease of access
- we're creating a citywide network of organisations to tackle digital exclusion
- we've signed the Local Digital Declaration along with hundreds of other local authorities; a shared ambition for the future of local public services

We're committed to working in the open and will report regularly on progress at <http://www.plymouth.gov.uk/digital>

Andy Ralphs

Strategic Director of Customer and  
Corporate Services

Councillor Jon Taylor

Cabinet Member for Education, Skills and  
Transformation

## 2. About this plan

This is Plymouth City Council's first digital plan and sets out our digital ambition for the next three years.

This is an overarching document which gives a clear direction for the council to:

- meet the growing demands for seamless digital services
- use data and technology to ensure limited public resources are used wisely
- work with residents, businesses and partners to maximise the use of digital technology and data, creating innovative solutions for shared challenges
- ensure everyone can benefit from digital technology and the internet

### What do we mean by 'digital'?

Whilst 'digital' is reliant on technology, it's not IT. Digital is about harnessing the potential of technology to change the way we work, to redesign our services and to be better connected; it's about providing better outcomes for citizens.

The following definition is widely accepted in the UK public sector:

***"Applying the culture, processes, business models and technologies of the internet era to respond to people's raised expectations"***

Tom Loosemore, Public Digital

Digital is not a separate activity in its own right but an enabler for modernising what we do – to allow us to do more for less and to meet the raised expectations of our residents and businesses in the internet era.

This plan complements and will help us deliver our Corporate Plan.

"Making Plymouth a fairer city, where everyone does their bit "

Digital and delivering the Corporate Plan	
Listening to our customers and communities	We will use digital tools to make it easier for customers and communities to have their say and engage in the democratic process.
Providing quality public services	We will design services with users so their needs are met. We'll prioritise our customers' needs above our organisational silos and local internal working practices.
Motivated, skilled and engaged staff	We will build our digital skills and knowledge across the organisation. Staff

	will have the right tools, systems and data to enable them to continually improve processes and performance.
Spending money wisely	Well designed, user-centric digital services will be more cost-effective. Ensuring the majority can self-serve digitally will mean other resources can be freed up for those with more complex needs. We'll use data to target our resources in the right areas.
A strong voice for Plymouth regionally and nationally	We've signed up to the Local Digital Declaration which commits us to working in the open wherever we can. We'll share our plans and experience, and work collaboratively with other organisations, Local Authorities and MHCLG, to re-use good practice.

This plan also links to the Plymouth City Council IT plan 2020-23. The IT plan aims to ensure we have the right technology in place to drive transformational change and service improvement.

The plan supports the Accommodation Framework 2020-2023, particularly in enabling flexible ways of working and improving access to services online.

In addition, the Digital Plan supports our People Plan 2020-24 which commits us to becoming a workforce that is adaptable to the changes local authorities will face over the next five years.

The Digital Plan has been developed during the COVID-19 pandemic and lessons learned have informed the vision, principles and themes. The plan complements Resurgam: Plymouth's COVID-19 Economic Recovery Plan, which sets out our proposals and plans for reducing the impact of COVID-19 and delivering a more equal, sustainable and prosperous city post-COVID-19.

### 3. Vision and aims for our Digital Plan

We will maximise the potential of digital technologies to improve services and outcomes for those who live and work in Plymouth.

Outcomes we're looking for:

- a better and more consistent customer experience
- improved reputation in responding to raised expectations for ease of access and 24/7 online services
- more cost effective and efficient ways of working
- improved digital access, skills and opportunities across the city
- collaboration and identification of shared digital challenges, issues and opportunities across the city
- supporting business growth and infrastructure development
- improved resilience in light of an uncertain future (post COVID-19)

To deliver these outcomes we've identified four key themes to prioritise:

#### **Digital customer**

We use technology, data and digital design to deliver cost-effective, consistent and trusted services. We design with our users so their needs are met and no one is excluded.

#### **Digital workforce**

Our staff have the right skills and technology to enable them to work flexibly, efficiently and in cost effective ways; we have a culture of collaboration across the organisation, to challenge, innovate and to use data to make informed decisions.

#### **Digital city**

We use data and technology to enhance growth, increase efficiency, minimise costs and produce better outcomes for businesses and residents in the city. People in Plymouth are digitally confident and have the skills they need for employability.

#### **Digital communities**

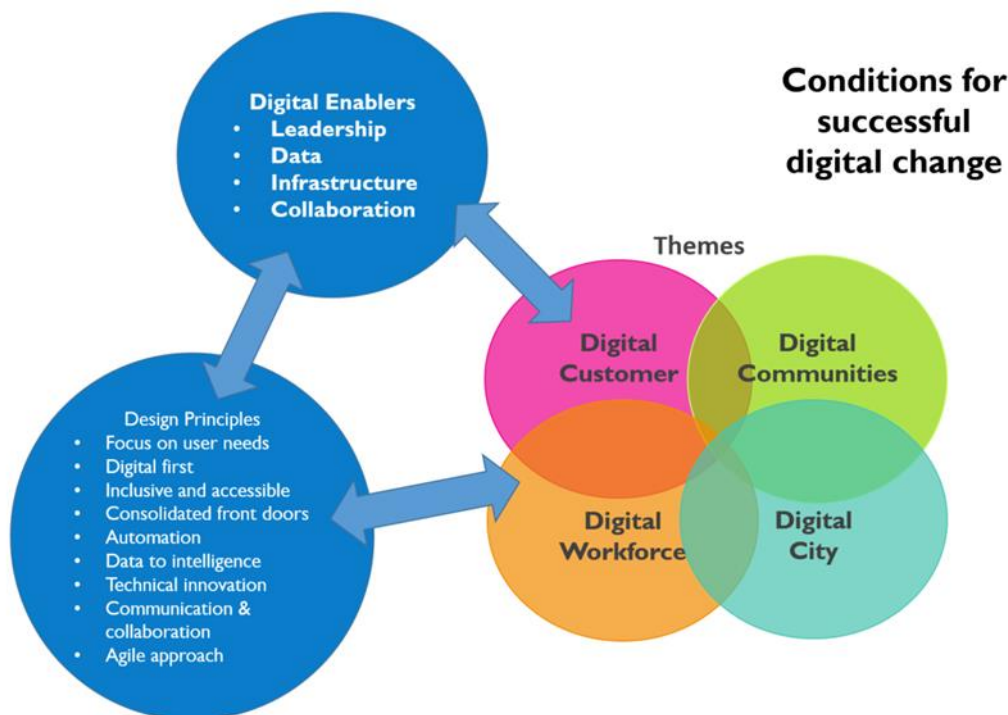
We use technology to engage with residents, organisations and voluntary groups, giving people the right digital skills so they can do more for themselves, participate in democracy and work together in their communities. Helping people live independently for longer.



## 4. Our digital and data principles

To successfully deliver on this plan, we need to have the right conditions for change in place. Our vision is built around four themes, and to achieve the vision and desired outcomes for each, a number of enablers need to be in place along with consistent application of design principles.

The model below has been developed taking into account lessons learned from previous digital transformation and data work within the council, the COVID-19 situation and current best practice from across local and central government.



### 4.1 Leadership

Digital is not a separate activity in its own right but touches and influences every facet of how we live and work.

The council's political and executive leadership understand that digital is a priority and an enabler for continual service improvement and transformation, and to provide future resilience and sustainability for the organisation. Our leaders will champion a digital culture, including getting the basics right, user-centred design, agile methods, innovation with new technology and working in the open.

### 4.2 Infrastructure

This is about having the right systems, applications, services and connectivity to support the use of new technology.

We need to make sure that the building blocks are in place to allow us to consume digital services efficiently, with resilience, security and accessibility as standard.

We'll continue to design solutions and services that are re-usable where possible and exploit opportunities to integrate and connect systems to benefit digital consumers and to get maximum value out of our investments.

We'll continue to grow local and national business partnerships to improve the city's fibre broadband infrastructure and mobile networks.

### **4.3 Collaboration**

The Council already has strong partnerships across the city and the south west region – across health, housing and education sectors as well as voluntary, community and social enterprises. Using technology to share data and information will help us strengthen these existing partnerships, and help us develop new ones.

All local authorities are facing similar challenges to Plymouth City Council; to deliver services and support their residents with increasingly limited resources. Where we can we will collaborate and share with local and central government bodies. In signing the Local Digital Declaration we are committed to the shared ambition of a culture shift to use technology more effectively.

### **4.4 Data**

We need to recognise that data is a valuable and growing asset to the council and our partners and must be treated as such.

The National Data Plan published in September 2020 has highlighted a number of issues that currently prevent the best use of data in the UK. As an organisation we recognise many of these issues and need to address them if we are to become a data mature organisation.

The outcomes we want to achieve are based on the four pillars of the National Data Plan:

#### **Data Foundations**

Our data is fit for purpose, recorded in standardised formats on modern, future-proof systems and held in a condition that means it is findable, accessible, interoperable and reusable.

#### **Data skills**

Our staff have the right skills to make the best use of the data we have.

#### **Data availability**

Our data will be accessible, mobile and re-usable; we will adopt an open first approach to data – if it can be then it should be open. We have a co-ordinated approach to encourage collaboration and data sharing across organisations in the city.

#### **Responsible data**

Our data is used responsibly in a way that is lawful, secure, fair, ethical, sustainable and accountable, whilst also supporting innovation.

In working towards the outcomes above we will become a data mature organisation enabling us to use data more effectively, and drive better insights and outcomes from its use and setting the foundations for future innovation.

We recognise that more work needs to be done to realise our data ambitions so we will:

- identify data champions across our organisation to form a community of purpose
- commit to introducing data owners for key corporate data sets
- through this group undertake a data maturity assessment
- develop an action plan to work towards our outcomes

## **4.5 Design Principles**

The following principles will be adopted and consistently applied across our organisation:

### **1. Focus on user needs**

We design with our users so their needs are met and their expectations are managed through clear service standards.

### **2. Digital first**

Digital to be considered first to solve business problems. Not only will this meet the raised expectations of customers for 24/7 online access, but is the most cost effective customer channel.

### **3. Inclusive and accessible**

Online services are accessible and other channels are always available for those who truly need them.

### **4. Consolidated front doors**

We streamline our services so they are easy to find, easy to access, consistent and cost effective.

### **5. Automation**

Services are built around clear service standards and automated end to end.

### **6. Data to intelligence**

We collect and use data to monitor our performance. We turn data to intelligence to make decisions and for continual service improvement.

### **7. Technical innovation**

We innovate with new technology rather than relying on legacy systems.

### **8. Communication & collaboration**

We take a collaborative approach to service design and communicate effectively – we say what we do and do what we say.

### **9. Agile approach**

We respond to user needs and solve problems. We work iteratively to fail fast or prove value and scale up.

## **5. Digital customer**

### **5.1 Vision**

We use technology, data and digital design to deliver cost-effective, consistent and trusted services. We design with our users so their needs are met and no one is excluded.

### **5.2 Desired outcomes**

- All council services that can be available online will be available online
- Our online services will be the first choice for most people, but other channels will always be available for those who truly need them
- People who use our online services should be able to complete their task successfully and unaided first time and rate their experience good or excellent
- User experience will be consistent whether people are looking for information or reporting, applying or paying for something
- Online services will be accessible, removing any barriers for people with disabilities
- Residents will be able to sign up to receive notifications which may be of interest to them

### **5.3 The journey so far**

We have made significant progress over the past few years with many of our services now online and heavily used. Our [plymouth.gov.uk](https://plymouth.gov.uk) website receives around 5 million views per year from people looking for advice and information and around 150,000 online forms are completed.

However, the 'contact us' page on the website is one of the most viewed and many people get in touch after visiting our website, suggesting that their needs are not currently being met online. By applying user-centred design methods we can ensure that user needs are met and self-service and customer satisfaction is increased.

We have been working towards new accessibility standards for [plymouth.gov.uk](https://plymouth.gov.uk) and have a clear plan to achieve full compliance. But in addition to [plymouth.gov.uk](https://plymouth.gov.uk), we have many other websites and domains where accessibility standards are not currently met and the content overlaps which can cause confusion for some users.

Currently, online transactions account for approximately a third of all interactions with the Council; by improving the quality of our online services and significantly increasing online transactions, the Council can reduce costs and ensure budgets are spent wisely.

**Modernising our council tax services**

We are in the midst of modernising our council tax services which will provide an enhanced online experience, saving our residents both time and effort when reporting changes to their circumstances. The changes also enable us to automate back office tasks, increasing efficiency and cost-effectiveness. In just 3 months, over 4,000 changes (e.g. Direct Debit set up or change of address) have been made online with 64% automation of the back office processes. Further online services are being developed and we're committed to continuous service improvement with customer feedback data being used to hone and refine the user experience.

*"Very good. Quick and easy set up. Clear instructions."*

*"Very easy to navigate, especially if you have previously registered and have auto-fill."*

*"Straight forward, good, understandable layout. Efficient."*

Plymouth Residents

**5.4 What we'll do next to achieve the vision**

- We will apply a consistent user-centred design methodology across council services, adopting Government Digital Service best practice.
- We will develop our digital capability so we have the right skills to collaboratively redesign services end to end and with the user in mind throughout.
- Create user panels so we can make sure the services we design work for the people who use them.
- Make sure we have the right technology in place so back office processes are automated and join up seamlessly with the front-end.
- Identify common business patterns to re-use technology across the organisation.
- Create content standards to ensure we deliver a reliable and consistent online experience and Plymouth City Council websites are seen as a trusted source of information.
- Online services will be designed with accessibility in mind and will meet the Web Content Accessibility Guidelines 2.1 AA standard.
- Review our criteria for the creation of separate websites and make sure those that do exist are aligned with our main website at [plymouth.gov.uk](http://plymouth.gov.uk), content is not duplicated and accessibility is considered.
- Introduce My Account and work towards a single point of access to allow people to view and manage their own interactions with the council.

- Take advantage of new and emerging technologies where there is a clear benefit to doing so, including AI and voice operated services.
- Make sure that assisted digital support exists for those who need it through our libraries and partnership networks across the city.
- Review and improve our online customer engagement through newsletters and social media.

## 6. Digital workforce

### 6.1 Vision

Our staff have the right skills and technology to enable them to work flexibly, efficiently and in cost effective ways; we have a culture of collaboration across the organisation, to challenge, innovate and to use data to make informed decisions.

### 6.2 Desired outcomes

- Council staff will have access to technology and systems that are fit for purpose and enable them to do their jobs efficiently and effectively.
- Council staff can work effectively from anywhere with tools that enable them to work collaboratively with internal and external partners. All council buildings have fast reliable networks.
- Council staff have access to and have the knowledge, support and skills to turn data into intelligence; to measure service performance, manage demand and make informed strategic and operational decisions.
- Data is used responsibly in a way that is lawful, secure, fair, ethical, sustainable and accountable.
- Council staff have the right digital skills, knowledge and understanding to make the most of the opportunities that digital can bring. Collaboration and innovation will be encouraged along with a culture of user centred service design and working in the open.
- We will increase the adoption of common components, ensuring technology is designed for common requirements and minimises the dependency on solutions that are only useful to a limited number of departments.
- We will reduce our reliance on legacy systems making sure that all technological solutions are fit for purpose and deliver efficiencies and improve productivity.
- Council staff have access to an Intranet where they can find internal guidance, news and information.

### 6.3 The journey so far

Working with the Council's IT delivery partner, Delt Shared Services, we have made significant changes to the way the council works, ensuring staff have the right tools to do their job. This includes equipping over 2000 staff with laptops and mobile devices enabling them to work from different locations. Introducing MS Office 365 has opened up new and easier ways to collaborate across the organisation and with external partners. MS Teams has helped join up council departments, partners and customers, and cloud infrastructure has enabled us to securely support mobile working. Council and committee meetings can now take place online.

Virtualising the contact centre has enabled staff who answer the phones to work remotely. Desk and meeting room booking capabilities helps us to manage demand for office space in a COVID-19 secure way.

Mandatory training for all staff on data protection and information security enables staff to handle personal data effectively and securely.

### **Introducing Microsoft Teams**

The council has rolled out Microsoft Teams to all staff enabling easier communication and collaboration both internally and externally. The move to Teams was supported by 137 champions from across the organisation who helped colleagues with the new technology. Using Teams has meant the organisation is able to work collaboratively, across departments and with external partners; hold virtual meetings with staff and clients and to broadcast live events including committee meetings and the council's AGM. The use of teams has been key to the co-ordinating the council's COVID-19 response.

*"Teams enables more interaction with our regional and business partners"*

Public Health colleagues

*"Teams allowed us to make everything electronic, ensuring audit trails and reporting were possible. We are totally paperless now and all working safely at home."*

COVID-19 Emergency Operations

*"Easier sharing of documents, keeping up to date with workloads, better communication across the team, are just a few of the things I can mention"*

Strategic Planning and Infrastructure colleague

*"We set up a series of Marine Tech webinars, as we were unable to attend international marine trade events in person. The webinars were essential as they allowed us to still meet new businesses and promote Plymouth's thriving marine sector"*

Oceansgate team

## **6.4 What we will do next to achieve our vision**

- Develop a culture of digital first where staff feel confident to innovate and explore.
- All staff will be aware of and will adopt the digital plan and principles and standards.
- We will continue to exploit the Office 365 capabilities.
- We will improve access to data so it can be used better to inform decision making and measure performance.
- Staff will have access to collaborative platforms to communicate, securely share and store information and work efficiently.
- We will reduce our reliance on legacy systems making sure that all technological solutions are fit for purpose and deliver efficiencies and improve productivity.



- Where possible, we will introduce automation for transactional processes so the workforce is freed up to deal with more complex enquiries/matters.
- We will continue to develop the Intranet with our staff so their needs are met and content is managed.
- A network of digital champions will lead the way, share innovation and embed a digital culture throughout the organisation.
- Staff will be made aware of opportunities to improve their digital skills.
- Governance will be in place to ensure changes to systems and technology are considered in line with technical architecture and with council needs.
- Involve staff and subject matter experts from relevant service areas, and follow a user led design approach when implementing new systems.

## 7. Digital city

### 7.1 Vision

We share data and use technology to enhance growth, increase efficiency, minimise costs and produce better outcomes for the residents and businesses across the city. People in Plymouth are digitally confident and have the skills they need for employability.

### 7.2 Desired outcomes

- The city of Plymouth will have ultrafast internet and mobile network connectivity to support the ambitions of residents, communities, businesses and public services
- Residents have the skills to access the jobs of the future, with increased opportunities in a growing digital, data and technology industry
- Data will be open, accessible and shared with partners to change the way services are delivered, to improve access to healthcare services and to grow the economy
- Plymouth will be a city of innovation where data and technology driven solutions will help us create a sustainable city for the future
- We'll use our unique location and geography to become the UK's centre of excellence for advanced marine prototyping, testing and certification
- Use technology and data to support inclusive decision making for our green spaces and marine environments

### 7.3 The journey so far

With partners, the Council has secured £2.2 million grant funding to provide an ultrafast fibre broadband connection for public sector buildings such as hospitals, GP surgeries, schools and council buildings.

The Council is part of Connected Plymouth, a steering group drawn from the public and private sector that works to enhance the quality of digital connectivity and its exploitation by citizens and businesses across the city.

DATA Plymouth provides easy access to key data and intelligence about the city of Plymouth and its residents. Through DATA Play events people are encouraged to come together, to play with datasets and solve challenges.

The Smart Sound project to create a 5G network in the Hoe and offshore to develop autonomous marine navigation solutions, is an example of the cities ambition to become the UK's centre of excellence for advanced marine prototyping, testing and certification.

**Future Parks Accelerator**

The Future Parks Accelerator project aims to find new ways to develop a more collaborative approach to caring for our parks and green spaces.

The project will use data and technology to work with local communities and create a Living Lab to collect information on wildlife activity, species sightings, air quality, temperature, humidity and pressure and number of visitors. Sensors will be developed and installed at green spaces across the city. Working with The Data Place the data will be open and shared on our open data platform and dashboards developed to inspire the people of Plymouth to get involved and take action.

Working with community volunteers, visitor counter sensors have been trialled in Central Park, Devonport Park and on Plymouth Hoe. The data is available on our open data platform.

**Highway maintenance**

Our highways team currently have around 40 sensors in gullies in key locations around the city. Data is fed back regularly on the level of fullness, light levels (to indicate obstruction) and if a gully has water at a level indicating it may flood. The data is used to help us target our maintenance of these key locations, which have been identified as being prone to flooding.

**7.4 What we will do next to achieve our vision**

- Through One Plymouth and Connected Plymouth we will take a proactive role in facilitating a joined up citywide digital approach, to both tackle shared challenges and benefit from shared opportunities.
- Work with partners to secure funding and inward investment into the city for digital technology initiatives and innovation.
- A commitment to joint working to create funding for roles which will enable collective development and ownership of the digital agenda for the city.
- Deliver the ultrafast fibre broadband connection for public sector buildings such as hospitals, GP surgeries, schools and council buildings. Use this as a catalyst for early delivery of 5G across the city.
- Work with partners to improve fibre and mobile networks across the city and take opportunities to explore Smart City initiatives and the wider use of different types of Internet of Things, e.g. sensors.
- Support the Smart Sound project to create a 5G network in the Hoe and offshore to develop autonomous marine navigation solutions.
- Deliver a GIS web mapping solution to support Plymouth Sound and Tamar Estuaries' programme of works. Use this work to initiate a new strategic approach for the use of geospatial data (both terrestrial and marine/hydrographic).

## 8. Digital communities

### 8.1 Vision

We will maximise the use of digital technologies to engage with residents, organisations and voluntary groups in the city while giving people the right digital access and skills so they can do more for themselves and work together in their communities. Helping people live independently for longer.

### 8.2 Desired outcomes

- Everyone in Plymouth has an equal opportunity to achieve the access, skills and confidence to get online and be a part of the digital world.
- More people are digitally included, which will help reduce inequalities and social isolation and loneliness within communities.
- We will increase our use of digital technologies to communicate with and engage citizens in the democratic process.
- We will create the right digital environment so that we can innovate in services like health and social care.
- Make the most of digital to encourage collaboration and make more people aware of resources and opportunities in their community, encouraging independence and increasing resilience.
- Residents who want to do so are able to receive relevant and timely notifications from the council about issues and opportunities of interest to them; from the status of services they rely on through to policy and planning decisions.

### 8.3 The journey so far

A city-wide digital inclusion network has been formed to provide a joined-up approach to tackling the digital divide. The network led by Plymouth City Council and made up of groups and organisations across the city will deliver interventions to overcome the main barriers to people getting online - access, skills, confidence and motivation.

Libraries offer free access to computers and WiFi; all are UK Online Centres and can take advantage of funding streams such as Google Digital Garage and BT Skills for Tomorrow. They run regular courses and sessions helping people to learn and build on their digital skills.

Plymouth Online Directory (POD) provides an online community-based directory with a focus on health, social and wellbeing services. It enables and supports people in the local community to live independently and make life choices that will improve their health and wellbeing.

Council meetings are streamed online allowing people to view and be a part of the democratic process and we carry out citizen surveys each year to collect residents' views of the city and about the council and the services it provides.

**Fixing the digital divide**

Win regularly attended basic IT sessions in the Central Library.

"Since my husband passed away three and a half years ago, the library has been invaluable to me.

I had cataracts removed and decided to start reading again to pass the time away, so I joined the library, then learned about IT classes which I attended so as not to be left too far behind with all the latest technology.

Soon after a knitting group was formed which I also took part in and altogether made several new friends where we share ideas and memories.

The staff at Central are most helpful and friendly and as an 89 year old this has been a great help in keeping me from feeling lonely. I'm sure a lot of people could benefit from getting involved."

**8.4 What we'll do next to achieve the vision**

- We will work with partners across the city to facilitate a joined-up approach to tackling digital exclusion, with an ambition to reduce digital exclusion by 10% (reaching 2,080 people)
- With our partners we will use data to identify the digitally excluded and understand the barriers to them getting online (access, motivation, skills). We will collaborate to address these barriers and help people to get online.
- We will create a digital signposting tool so that Plymouth's residents are aware of digital skills and access opportunities available across the city
- Through a partnership with On Course South West we will offer digital champions training for volunteers
- Work with partners in health and social care to establish where we can share data to improve service efficiency for residents
- Work towards unified client records and unified operational and management data for the health and social care system as a whole
- Explore the use of assistive technologies and sensors to help people live independently for longer
- We will increase resilience in communities, empowering citizens by making them more aware of existing resources in their community
- We will build on the success of POD and make sure that content is aligned with our main website at [plymouth.gov.uk](http://plymouth.gov.uk), reducing duplication and providing a more consistent experience.

## 9. Measuring progress and how to get involved

Progress is monitored regularly through the existing governance of the council's transformation portfolio.

Updates on our progress and opportunities to get involved will be published on our website at [plymouth.gov.uk/digital](https://plymouth.gov.uk/digital)

We welcome feedback on any part of this plan at any time. Email us at [digital@plymouth.gov.uk](mailto:digital@plymouth.gov.uk) or visit [plymouth.gov.uk/digital](https://plymouth.gov.uk/digital)

# Cabinet



Date of meeting: 12 January 2021

Title of Report: **UK-EU Trade and Cooperation Agreement - summary analysis**

Lead Member: Councillor Tudor Evans OBE (Leader)

Lead Strategic Director: Giles Perritt (Assistant Chief Executive)

Author: Kevin McKenzie (Brexit Office)

Contact Email: kevin.mckenzie@plymouth.gov.uk

Your Reference: CAB/002/12012021

Key Decision: No

Confidentiality: Part I - Official

## Purpose of Report

The report provides a summary and analysis of key parts of the Trade and Cooperation Agreement (TCA) negotiated between the United Kingdom and the European Union. Given the far reaching scope of this agreement the report has been focussed to address those areas of greatest interest to local stakeholders and therefore some areas which may nevertheless have local relevance have been omitted. A further exception are the implications for our fishing industry and the community it supports which are the subject of a separate report.

## Recommendations and Reasons

Cabinet is asked to endorse these asks of government: -

Explain how it will deliver on its promise to level up regional economies, setting out in detail: -

- How local businesses, especially SMEs, will be supported to adapt to new regulatory barriers to trade between the EU and the UK now that we have left the single market.
- How government policies around investment in the fishing fleet and quayside facilities will reflect developing economic link proposals ensuring sustainable economic benefits to our community and our fishing industry.
- How the UK Shared Prosperity Fund and other funding mechanisms will mitigate the loss of EU structural and other funds to the city, the Heart of the South West LEP area and the wider South West peninsula.

## Alternative options considered and rejected

- Further recommendations will be considered as the implications of the deal become apparent over the coming days and months.

## Relevance to the Corporate Plan and/or the Plymouth Plan

Brexit continues to have significant implications for the delivery of the Corporate Plan and the Plymouth Plan in particular : -

- Our growing city pledge to deliver economic growth that benefits as many people as possible
- Our Plymouth Plan commitment to actively work to promote Plymouth's as an international city.

**Implications for the Medium Term Financial Plan and Resource Implications:**

Brexit will have significant implications for the Medium Term Financial Plan these are anticipated in the associated entry on our strategic risk register.

There are no new cost pressures that are not set out as part of in year monitoring and/or next year's budget.

**Carbon Footprint (Environmental) Implications:**

The stated intention of Government is to diverge from the currently applicable statutory provisions for environmental protection which are derived from EU law.

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed.

**Appendices**

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	UK-EU Trade and Cooperation Agreement - summary analysis							
B	Equalities Impact Assessment (if applicable)							

**Background papers:**

*\*Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
<a href="#">UK EU Trade and Cooperation Agreement Summary</a>							
<a href="#">TRADE AND COOPERATION AGREEMENT</a>							



<a href="#">The UK-EU Trade and Cooperation Agreement: summary and implementation – Parliamentary Briefing</a>							
<a href="#">The UK in a Changing Europe</a>							

**Sign off:**

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 07/01/2021											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader)											
Date approved: 07/01/2021											

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# UK-EU TRADE AND COOPERATION AGREEMENT SUMMARY ANALYSIS

Brexit Office



## I. INTRODUCTION AND BACKGROUND

- I.1 As a member state the United Kingdom (UK) was bound by the European treaties which underpin the European Union (EU) and although the UK left the EU in January 2020 we remained subject to EU law until the transition period ended at 11pm on 31<sup>st</sup> December 2020.
- I.2 The withdrawal agreement signed by both parties in October 2019 released the UK from its obligations, to 'ever closer political union', and to the four fundamental freedoms of the EU and put in place provisions to protect and preserve the status of UK and EU citizens already resident within each other's territory, agreements about the UK's ongoing financial liabilities, the so called 'divorce payment' and the 'backstop' for Northern Ireland.
- I.3 Alongside the withdrawal agreement the two parties agreed a political framework for their future relationship. The central commitment within this document was to ensure that trade remained as frictionless as possible. After 11 months of tense and often fractious negotiations the Prime Minister announced that a trade deal had been reached on Christmas Eve, just 6 days before the end of the transition period.
- I.4 The Trade and Cooperation Agreement (TCA) between the UK and the EU provides for 100% tariff liberalisation, meaning there will be no tariffs or quotas on the movement of goods between the UK and the EU.
- I.5 The United Kingdom is now a 'third country' outside the Single Market and Customs Union. This means that in future the movement of goods between the UK and the EU will be subject to the full range of EU nontariff entry requirements.
- I.6 The TCA is arranged in 7 parts but we have focussed our analysis on part 2, covering Trade, Transport, Fisheries and other arrangements which is by far the most relevant

## TRADE, TRANSPORT, FISHERIES AND OTHER ARRANGEMENTS

### 2.0 Trade in goods

- 2.1 The TCA establishes zero tariffs or quotas on trade between the UK and the EU, where goods meet the relevant rules of origin. This means that as the UK leaves the Single Market and Customs Union, UK businesses and consumers will not have to face the economically damaging consequences of tariffs on 1 January 2021 that would have resulted from no-deal.
- 2.2 The rules of origin are designed to ensure that only 'originating' goods are able to benefit from the liberalised market access arrangements agreed in the TCA. They allow for bilateral cumulation, where EU inputs and processing can be counted as UK input in UK products exported to the EU and vice versa. They make no provision for diagonal cumulation, whereby component parts from countries with which the EU already has a trade deal would also have been defined as originating in the UK/EU which places UK based businesses at a disadvantage.
- 2.3 The government says these rules are also supported by predictable and low cost administrative arrangements for proving origin. Compliance is nevertheless likely to have a disproportionate impact on SME businesses where economies of scale will be harder to achieve. Anecdotal evidence is already emerging that some continental suppliers are refusing to supply to the UK because the volumes do not justify the cost of meeting the regulatory requirements.
- 2.4 The TCA addresses regulatory barriers to trade between the UK and EU, while allowing both parties the freedom to regulate goods in the way most appropriate for their own market. It includes provisions on technical regulation, conformity assessment, standardisation,

accreditation, market surveillance and marking and labelling. Mutual recognition of conformity assessment will broadly fall away.

- 2.5 It also envisages arrangements to share information on dangerous and non-compliant products on the UK and EU markets. These fall short however of allowing the UK full access to the EU reach system which provides alerts to advise national consumer protection agencies when such products are discovered in circulation.
- 2.6 It includes sector-specific arrangements which seek to promote cooperation and tackle barriers to trade in the automotive, chemical, pharmaceutical, organic products and wine sectors. The NFU report that mutual recognition arrangements are now in place covering organic products and this will be welcome news to the many organic farmers and food producers across the SW peninsula.
- 2.7 The TCA allows that the UK and the EU can maintain fully independent rules to protect human, animal and plant life and health, preserving each Party's right to independently regulate, while not creating unjustified barriers to trade this includes commitments on regionalisation, which enables UK and EU trade to continue from disease or pest-free areas. It commits the UK and the EU to hold regular, joint reviews of their respective SPS border controls.
- 2.8 The UK government has decided to prioritise the flow of goods and the UK Border Operating Model foresees a phasing in of controls. However movement across a border is not something that can be managed unilaterally, as we saw in the form of the pre-Christmas pandemic-induced tailbacks of lorries from UK ports.
- 2.9 For something to move across the border it has to exit one country and enter another. It is surprising then that few friction reducing measures are included in the TCA aside from the mutual recognition of 'trusted trader' (AEO) schemes. There are no substantive derogations, no recognised equivalence in food standards and no adaption period. From 1 January 2021, nothing will be able to enter the EU from Britain unless the relevant information has been submitted to the appropriate border authorities in advance.
- 2.10 This lack of mitigations does not mean that the rules will be generously interpreted or loosely applied. Rather, it means that too many attempting to move goods from GB into the EU will not be ready to meet them. The NFU report that whilst paperwork is often wrong, French and Irish customs officials have been taking a reasonable and understanding approach. They understand that this will change by the end of the week and have expressed concern about the lack of Vets and charging for veterinary services.
- 2.11 Given that the Millbay Ferry terminal will recommence ROPAX sailings in March, it will be important that we pick up on the operational experience of other ports over the next three months to ensure we are ready to meet whatever demands are likely to arise including any potential requirement for HGV transit facilities.

### **3.0 Trade in Services and Investment**

- 3.1 The UK is a services economy. The sector makes up around 80% of the economy and the EU is its largest export market. The TCA will make trade in services between the UK and the EU more difficult.
- 3.2 The agreement establishes the treatment and level of access the UK and EU have agreed to grant each other's service suppliers and investors. It does exceed the Parties' commitments under WTO rules and provides market access across all sectors reflecting the UK and EU's respective Free Trade Agreements with Japan, except in relation to legal services. This falls well short of the current level of access provided by our membership of the EU single market.
- 3.2 From the 1 January, UK nationals planning to service clients in the EU, and EU citizens holding UK qualifications, will typically need to have these qualifications recognised on a state by state basis in the EU.

#### **4.0 Digital Trade**

- 4.1 Whilst the TCA does include some important agreements on data and digital trade, it fundamentally changes the way in which the UK's services sector will be able to export into the EU. The sector will need to adapt rapidly to a country by country, service by service patchwork of market access requirements.

#### **5.0 Intellectual property**

- 5.1 The agreement requires the parties to protect the intellectual property rights of each other's nationals no less favourably than their own. There are also mechanisms for cooperation and exchange of information on intellectual property issues of mutual interest.

#### **6.0 Public procurement**

- 6.1 The agreement extends the coverage of the WTO's Agreement on Government Procurement (GPA) to include sectors such as hospitality, telecoms, property and education. Whilst the GPA is seen as a measure to promote trade liberalisation it imposes an additional administrative burden on the public sector. The additional bureaucracy required serves as a disincentive to SMEs and the limits the use of public procurement as a tool to stimulate the local economy.

#### **7.0 Small and medium-sized enterprises (SMEs)**

- 7.1 The Agreement includes typical commitments to provide SMEs with clear and accessible online information about the Agreement, helping them to trade and do business in each Party's jurisdiction. This covers customs procedures, intellectual property rights, and public procurement. The Agreement commits each Party to provide for a searchable online database, on measures such as customs duties, taxes and rules of origin. The Agreement also establishes a framework that will allow the Parties to work together to increase opportunities for SMEs and to report on their activities.

#### **8.0 Level playing field for open and fair competition and sustainable development**

- 8.1 The Agreement states that trade and investment between the UK and EU "require conditions that ensure a level playing field for open and fair competition, while also recognising that the purpose is "not to harmonise the standards of the Parties". The Agreement sets out level playing field provisions for the following areas: competition; subsidy; state owned enterprises; taxation; labour and social standards; environment and climate; and trade and sustainable development.
- 8.2 In relation to subsidies, each Party must have in place a domestic subsidy regime that ensures that the grant of subsidies respects the principles set out in the Agreement. In terms of domestic enforcement, UK courts will decide whether a subsidy decision complies with the domestic law that implements the principles. The EU can be an intervening party in a UK case on subsidies (and vice versa).
- 8.3 The TCA allows that the UK does not have to follow the EU's rules in level playing field areas and is not subject to the jurisdiction of the Court of Justice of the European Union. For provisions on labour and social protection, and the environment and climate, it is recognised that either Party may establish their own levels of protection. At the same time, a form of non-regression approach is used which requires that the Parties do not lower the level of protection afforded below the level in place at the end of the transition period if to do so would impact trade or investment between the UK and EU.
- 8.4 If material impacts on trade or investment arise as a result of significant divergences between the Parties in the areas of labour and social, environmental or climate protection, or with respect to subsidy control, there is a rebalancing mechanism that allows the concerned Party to take unilateral measures such as imposing tariffs to restore fair competition. An arbitration

panel can be established to decide if the rebalancing measures are consistent with the requirements of the Agreement.

- 8.5 This may have implications for the Government's approach to free port zones which include a significant subsidy and regulatory freedoms covering environmental and labour protections with the express aim of delivering a competitive advantage.

## **9.0 Road Transport**

- 9.1 The Agreement ensures continued market access rights for UK and EU road haulage operators. Operators will continue to be able to move goods to, from and through each other's territories with no permit requirements, and make additional movements within each other's territories, with limits on the number of permitted movements. UK and EU passenger transport operators will be able to continue running occasional services to, from and through each other's territories.
- 9.2 It is unclear at this point whether this will have implications for the Kent Access Permit, which the government introduced as a mechanism to prevent excessive queues of HGVs building up at the Dover port.

## **10.0 Social Security coordination.**

- 10.1 UK workers who are sent by their employer to work temporarily in an EU Member State which has agreed to apply the "detached worker" rules will remain liable to only pay social security contributions in the UK for the period of work in that EU Member State.
- 10.2 On healthcare, where the UK or an EU Member State is responsible for the healthcare of an individual, they will be entitled to reciprocal healthcare cover. This includes certain categories of cross-border workers and state pensioners who retire to the UK or to the EU.
- 10.3 The Agreement confirms that the UK will treat the EU as a bloc for short-term visit visas. This provision will not apply to future Member States unless the UK agrees to do so.
- 10.4 This provisions around healthcare cover for state pensioners and certain categories of cross border workers may mitigate the impact of UK nationals who have been long term EU residents returning to the UK.

## **11.0 Fisheries**

- 11.1 On fishing, the Trade and Cooperation Agreement affirms the UK's status as an independent coastal state, outside the EU's Common Fisheries Policy. Over the next five and a half years, the UK's share of fishing quotas will increase by 25% of the value of the EU catch in UK waters. After that, access will be decided by annual negotiation.
- 11.2 UK fishing boats will be able to sell their catch into the EU's Internal Market without tariffs or quotas. Provision is made for remedies if a party does not grant access to its waters and these will apply even after the end of the five-and-a-half-year adjustment period.
- 11.3 The Agreement is not a good deal for UK fisheries, especially for the English demersal fishing industry. It falls well short of what Ministers led the industry to expect. Except for relatively small groups of vessel owners in the pelagic sector, the benefits are marginal and in some cases illusory.
- 11.4 A separate report covering the implications of the TCA for our fishing industry has been prepared.

## **OTHER PARTS OF THE TCA**

### **12.0 Common and institutional provisions**

- 12.1 A Partnership Council will supervise the operation of the Agreement at a political level and any decisions will be by mutual consent. The Partnership Council will be supported by a

network of other committees, including on trade. These will provide necessary opportunities for technical discussion.

### **13.0 Law enforcement and Judicial Cooperation in Criminal Matters**

- 13.1 The agreement provides for the automated exchange of DNA, fingerprints and vehicle registration, akin to the Prüm Decisions. There is also access to the EU passenger name records (PNR) for the purposes of preventing, detecting, investigating, or prosecuting terrorism or serious crime, subject to safeguards on the use and storage of the information.
- 13.2 The UK, in return, is required to share analysis of PNR data with Europol, Eurojust and member state LEAs. The agreement provides for the automated exchange of DNA, fingerprints and vehicle registration, akin to the Prüm Decisions.
- 13.3 The UK failed to maintain access to the Second Schengen Information System (SIS II). This is the most widely used and largest information-sharing system for security and border management in Europe and operates based on 'real time' alerts. UK officials used the system over 600 million times a year.
- 13.4 The agreement could never replicate the level of cooperation within the EU, however the UK and the EU have secured cooperation that is as close as conceivable, without crossing any of the UK's red lines or undermining the EU's internal legal order.

### **14.0 Thematic Cooperation**

- 14.1 The agreement provides for future cooperation between the UK and EU on emerging challenges, including health and cyber security. The UK and EU have also agreed a joint declaration noting the importance of effectively managing migratory flows, and the UK's intention to engage in bilateral discussion with key EU Member States to discuss suitable practical arrangements on asylum, returns, family reunion for unaccompanied minors and illegal migration.

### **15.0 Participation in Union Programmes**

- 15.1 The TCA sets out the arrangements for the UK's participation in Union programmes and access to programme services. These terms provide for a fair and appropriate financial contribution towards the programmes, fair treatment of UK participants, balanced provisions to ensure the sound financial management of programme funds, and appropriate governance arrangements.
- 15.2 The additional detail on the individual programmes the UK is intending to participate in - Horizon Europe, Euratom Research and Training, and Copernicus - will be included in a protocol to the main Agreement, once the regulations establishing the programmes are settled.

### **16.0 Dispute Settlement and Horizontal provisions**

- 16.1 This section covers arrangements for dispute settlement, and the fulfilment of obligations and safeguard measures. It also sets out the basis for cooperation, restating existing commitments to human rights, the rule of law, the fight against climate change and countering the proliferation of weapons of mass destruction.
- 16.2 The UK and EU have also restated commitments in other areas – including small arms and light weapons, serious crimes of concern to the international community, counter-terrorism, and issues of shared economic, environmental and social interest.
- 16.3 Finally the UK and EU have restated their commitment to high personal data protection standards, which contribute to trust in the digital economy and to the development of trade, and are key enablers for effective law enforcement cooperation.

## 17.0 Final provisions

- 17.1 These provide for a review of the agreement between the EU and the UK every five years. It also provides for the procedure to be followed if a new country accedes to the EU.

## OTHER AGREEMENTS

### 18.0 The Draft EU-UK Security of Information Agreement

- 18.1 Governs the voluntary exchange of classified information.

### 19.0 The Draft EU-UK Civil Nuclear Agreement

- 19.1 The UK and the European Atomic Energy Community (Euratom) have agreed a separate Nuclear Cooperation Agreement (NCA). An NCA is a commonly used international treaty which gives a legal underpinning to civil nuclear cooperation, and both Euratom and the UK already have similar agreements with several other countries. It provides and facilitates close cooperation on the supply and availability of medical radioisotopes.
- 19.2 While this NCA provides the legal framework for long-term cooperation, the basis for the UK's participation in the Euratom Research and Training Programme for the period 2021-2025 and "Fusion for Energy" is set out in the Trade and Cooperation Agreement.

## COMMENTARY

### 20.0 Assessing the deal

- 20.1 An objective assessment of the deal requires a baseline against which to assess it. There are a number of possible alternative approaches.
- Comparison with the arrangements available to an EU member state
  - Comparison with a 'no deal' outcome
  - Assessment against the negotiating aims set out by the government
  - Anticipated economic impact

	EU member state	Norway type agreement	Chequers proposal	EU/UK deal	No Deal
Single Market	✓	✓	x	x	x
Customs Union	✓	✓	x	x	x
European Court Supremacy	✓	✓	✓	x	x
Free movement of people	✓	✓	x	x	x
Frictionless Trade	✓	✓	✓	x	x
Regulatory Alignment	✓	✓	✓	x	x
EU budget	✓	✓	x	x	x
Common Fisheries Policy/ Common Agricultural Policy	✓	x	x	x	x
Political Representation	✓	x	x	x	x
Independent Trade Policy	x	x	✓	✓	✓



- 20.2 Each of these models introduce elements of subjectivity, not least the question of whether to consider any given element as a benefit or a restriction. The table above compares different models and the elements they include without making any value judgement about whether they are desirable or not.
- 20.3 The referendum result in favour of leaving the European Union was given effect on January 31 2021. Neither the referendum ballot nor the legislation passed by parliament to implement it said anything about the nature of our future relationship with the European Union.
- 20.4 A range of options were debated during the referendum which were characterised as either 'soft' or 'hard'. From the table it can be seen that the deal we have agreed combining the elements contained in the withdrawal agreement and the trade and cooperation agreement are at the hard end of the spectrum.
- 20.5 Comparing the deal with the 'chequers' proposal set out by the last government which formed the basis for the negotiation of the withdrawal agreement it is clear that the final deal has become much closer to a no deal arrangement.

## **21.0 Negotiating aims**

- 21.1 The Chequers proposals prompted the current Prime Minister to resign from the role he then held as Foreign Secretary because, he argued, they left the UK as a 'vassal state' of the EU. The negotiating red lines subsequently set by the government at the outset of trade negotiations aimed to secure: -
- no extension to the transition period;
  - no obligations for our laws to be aligned with the EU's, or for the EU's institutions, including the Court of Justice, to have any jurisdiction in the UK;
  - an end to the 'relative stability' mechanism for sharing fishing quotas in favour of zonal attachment.
- 21.2 It might be argued that in fact the deal has not yet been completed as a number of matters are still outstanding and the deal only specifies how these will be addressed, leaving a significant degree of uncertainty about the outcome in some crucial regards, e.g. there is as yet no data adequacy agreement only a temporary arrangement and an in principal commitment.
- 21.3 The deal was only agreed in the final days and hours of the transition period and this left almost no opportunity for parliamentary scrutiny and whilst it does provide some certainty for business no lead in time is left for them to adapt to what is a very significant change.
- 21.4 The deal does provide for regulatory independence for the UK but the frictionless trade provisions anticipated by the withdrawal agreement are sacrificed. UK businesses will need to evidence compliance with rules of origin and the EU regulatory framework. These non-tariff mechanisms will act as a barrier to UK trade and an administrative burden for UK business.
- 21.5 Relative stability rather than zonal attachment continues to underpin the allocation of fishing quota between UK and EU fishing fleets.

## **22.0 Sovereignty**

- 22.1 The UK has reclaimed some aspects of its sovereignty that it has shared with the European Union for the last 40 years but in doing so we have weakened our trading links with our closest trading partners and this will have a significant negative impact on our future economic growth, economists' estimates range around the 5% mark over the next 10 years.
- 22.2 The UK is now free to implement an independent trade policy and the Department for International Trade has negotiated trade agreements with 31 countries which will come into force on 1 January 2021. As yet these do not encompass the full range of countries with whom we had favourable trading terms as an EU member state and we have yet to reach a trade

agreement with countries such as Australia and New Zealand with whom we had close trading relationships before we joined the European Common Market.

- 22.3 We will now be in competition with our former EU partners to conclude trade deals with the world's emerging economies. Our domestic market of 60m people will not be as attractive as the EU single market of more than 500m. The TCA will enable the EU to apply trade sanctions should we try to compete by offering a lighter touch regulatory regime.

# Cabinet



Date of meeting: 12 January 2021

Title of Report: **UK-EU Trade and Cooperation Agreement – Fisheries**

Lead Member: Councillor Tudor Evans OBE (Leader)

Lead Strategic Director: Anthony Payne (Strategic Director for Place)

Author: Evonne Ginman

Contact Email: [Evonne.ginman@plymouth.gov.uk](mailto:Evonne.ginman@plymouth.gov.uk)

Your Reference: UK-EU Trade Fisheries

Key Decision: No

Confidentiality: Part I - Official

## Purpose of Report

To summarise the implications of the UK-EU Trade and Cooperation Agreement on Plymouth's fishing sector.

## Recommendations and Reasons

Plymouth City Council to lobby Central Government to ensure that government policies around future investment in the fishing fleet and quayside facilities reflect the realism of the terms of the UK-EU Trade and Cooperation Agreement, ensuring sustainable economic benefits to our community and our fishing industry.

## Alternative options considered and rejected

Not applicable.

## Relevance to the Corporate Plan and/or the Plymouth Plan

Our Priorities – A Growing City – Economic growth that benefits as many people as possible  
How We Will Deliver – A strong voice for Plymouth regionally and nationally

## Implications for the Medium Term Financial Plan and Resource Implications:

None.

## Carbon Footprint (Environmental) Implications:

None.

## Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

None.

## Appendices

\*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	UK-EU Trade and Cooperation Agreement – Fisheries Summary and Analysis							

## Background papers:

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

## Sign off:

Fin	ba.2 0.21. 209	Leg	3596 1/AC/ 7/1/2 1	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: David Draffan (Service Director for Economic Development)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 07/01/2021											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader) (approved in briefing meeting)											
Date approved: 07/01/2021											

## APPENDIX

### UK-EU Trade and Cooperation Agreement – Fisheries Summary and Analysis

#### *Summary*

i. Officers view that the Agreement is not a good deal for UK fisheries, especially for the English demersal<sup>i</sup> fishing industry. It falls well short of what Ministers led the industry to expect. Except for relatively small groups of vessel owners in the pelagic<sup>ii</sup> sector, the benefits are marginal and in some cases massively over-stated.

#### *Context*

ii. On 30 December 2020 an agreement was entered into between (1) the European Union and the European Atomic Energy Community and (2) the United Kingdom of Great Britain and Northern Ireland (“the Agreement”). The UK has become responsible, as an independent sovereign state, for jointly managing about 100 shared fish stocks with the EU. This is unprecedented and unique internationally. Additionally, the UK will be negotiating access directly with Norway and The Faroes, and has signed continuity agreements with both countries.

iii. More than two thirds of UK fisheries production is exported to the EU, while most domestically consumed fish in the UK arrive from non-EU countries such as Iceland, Norway, Indonesia, India and Ghana, or from other parts of the world via processing plants in the EU. Exports to the EU will remain tariff free, but there are new non-tariff barriers such as catch certificates, export health certificates and the need for goods to go through Border Control Posts. Neither the UK Government nor industry were fully prepared for 1st January 2021; clarification is still required from the Government in a number of areas and systems have yet to bed down. There could be consequential difficulties for businesses through the supply chain over the coming months, and there are potentially long-term ramifications for the future structure of the industry. In the short term, government officials are hoping that the EU and member states will show some leniency whilst the new arrangements settle down, but Defra and its agencies have not yet fully addressed the longer term implications.

#### *Main features of the Agreement*

iv. The Agreement provides for:

- The UK to have a larger share of the quotas for about 100 stocks it shares with the EU. UK vessels will be able to catch more fish and EU vessels fewer fish in UK waters.
- The increases will be phased in over five years from 2021. The government has calculated that the total additional value to the UK at the end of this period will be £146m.
- The Agreement contains detailed arrangements for setting annually the total allowable catch (TAC) of each of the shared fish stocks subject to quota. In many respects the

process is similar to what happened when the UK was within the Common Fisheries Policy, except the UK will be negotiating with the EU as a third country.

- Until June 2026 (the 'adjustment period'), the EU and UK will have reciprocal rights of access to catch the allowable quotas, after which there will be annual negotiations on access.
- EU vessels that have a historic track record will be able to continue to fish in the 6nm to 12nm zone of parts of the UK's territorial waters – almost exclusively in English waters – for at least the next five and a half years, and most likely indefinitely.
- The UK has reclaimed considerably more policy and regulatory autonomy. But, this is not unfettered. It has to act in accordance with the objectives and principles and follow the processes set out in the Agreement.
- In common with other areas of trade and services, there is to be a joint UK-EU specialised committee that will be able to consider and agree fisheries management issues, data sharing, etc. The committee will be co-chaired by the UK and EU with a joint secretariat.
- If the UK deviates from the access or quota available to EU vessels under the terms of Agreement, in the event of dispute, the EU can require the UK to pay compensation and can introduce tariffs not just on fish products but also other goods and services imported into the EU by the UK. The EC has made it clear that it will seek to protect EU fishing communities.

#### *Commentary*

v. Prior to the Agreement, the economic value of fisheries in UK waters for EU vessels represented £565m a year. The UK caught £98 million a year of landings in the EU's exclusive economic zone. After five and a half years there will still be a substantial imbalance. The £146m of additional quota in the government figures also overstates the real value to the UK industry, because no allowance has been made for actual catch levels by EU vessels (which in some cases have been below the quota ceilings) and does not take into account other opportunities that previously existed for the UK to increase fishing opportunities.

vi. Since the Brexit referendum, Ministers have made great play of the UK moving towards a fairer distribution of fishing opportunities based on zonal attachment (the special distribution of fish stocks). There is no provision for this and the recalibrated quotas do not come close to previous exemplifications of zonal attachment allocations.

vii. The changes to the UK's overall share of quota vary enormously across the UK and between species. Substantial economic gains are likely to be enjoyed by relatively small groups of vessel owners in the pelagic sector. The gains in the South West will mostly be only marginal (see annex A) and, in particular, it is difficult to see the under 10m fleet (i.e. the majority of the boats) securing any worthwhile benefit. The extra bureaucracy will outweigh, for many, any slim uplift in quota; the fishing opportunities for the shellfish boats remain unchanged whilst exporting to the EU now involves a lot more paperwork.

viii. The Government will need to reconsider its plans for the future allocation of quota, on which Plymouth City Council commented in November, as the uplift under the terms of the Agreement provides insufficient headroom. It seems likely that, any changes in the way quota is allocated in England, will be modest in 2021 and for some years later.

ix. Meeting the obligations of the landing obligation in mixed fisheries, such as those in the south west, has been a challenge. There was a hope that rebalancing the EU and UK quota shares might assist. The additional quota will not be of much help and, dependent upon how the government responds, the situation could become more difficult.

x. Ministers repeatedly confirmed that a primary aim of the Government was to secure the UK's territorial waters for the exclusive use of UK vessels. This was one of the most important elements of the negotiations, for the catching sector. The Agreement allows EU vessels continued access around the English coast, which is a bitter blow to the UK industry.

xi. At the end of five and a half years, the presumption in the Agreement is that nothing will change unless by mutual agreement. UK is locked in unless the government of the day is prepared to accept compensatory measures by the EU, which could include tariffs and withdrawing from other parts of the Agreement, not just on fisheries but also affecting other business sectors. The prospect of a UK government being willing to do this are slim.

xii. Changes to the export rules affecting one sector in another part of the UK could have an adverse ripple effect elsewhere, including the south west, which are difficult to anticipate and mitigate.

xiii. On a more positive note, the UK has reclaimed considerably more policy and regulatory autonomy. There could be useful opportunities for the UK Fisheries Administrations to improve transparency and to develop and introduce policies more suited to the unique nature of UK fisheries. However, the UK does not have a completely free hand and only time will tell the extent to which the UK will be able to take unilateral action. The Government has announced that it has banned pulse trawling by English and EU vessels (Scotland still has one vessel licenced to use this technique). This might turn into a test case if the Netherlands or the EC raise objections.

xiv. The role of the specialised committee on fisheries, as a forum for considering and agreeing various fisheries management issues, and how this will play to the ambitions of the Fisheries Act 2020 is not yet clear. For example, the extent to which the Joint Fisheries Statement and Fisheries Management Plans will be independent of agreement within the specialised committee on fisheries.

xv. This paper covers only the Fisheries specific sections of the Agreement. As implementation begins to take effect we might find that aspects concerning trade, subsidies and regulatory autonomy will be affected by other provisions in the Agreement.

### *Recommendations*

xvi. There will understandably be considerable disappointment and frustration within the fishing industry. However, in any situation, there are opportunities. Steps can be taken to seek greater clarity about the government's intentions and to make representations on behalf of the local industry and the communities served. Plymouth City Council has been a strong supporter of the local industry and will want to ensure, as far as possible, that future government policies and regulatory systems recognise the contribution made by the industry and its needs.

xvii. The Government has indicated that a funding package of £100m will be available. It will be important that these funds are effectively targeted – which will require fresh thinking and not just recycling processes and policies already found wanting. The industry will need assistance to recover, rebuild and modernise.

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<sup>i</sup> Demersal fish are found near the sea bed

<sup>ii</sup> Pelagic fish live and feed away from the bottom of the sea bed