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Democratic and Member Support

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CITY COUNCIL

Monday 26 January 2015

2.00 pm

Council House (Next to the Civic Centre), Plymouth

Members:

The Lord Mayor, Councillor Fox, Chair

The Deputy Lord Mayor, Councillor Murphy, Vice Chair

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Casey, Churchill, Coker, Damarell, Darcy, Philippa Davey, Sam Davey, Downie, Drean, Evans, K Foster, Mrs Foster, Fry, Hendy, James, Jarvis, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr. Mahony, McDonald, Morris, Mrs Nelder, Nicholson, Mrs Nicholson, Parker-Delaz-Ajete, Penberthy, Mrs Pengelly, Rennie, Ricketts, Riley, Dr. Salter, Singh, John Smith, Peter Smith, Sparling, Stark, Stevens, Storer, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler and Wigans.

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

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Tracey Lee

Chief Executive

CITY COUNCIL

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES

To receive apologies for absence submitted by councillors.

2. MINUTES

(Pages 1 - 16)

To approve and sign the minutes of the meeting held on 24 November 2014 as a correct record.

3. DECLARATIONS OF INTEREST

(Pages 17 - 18)

Councillors will be asked to make declarations of interest in respect of items on this agenda. A flowchart providing guidance on interests is attached to assist councillors.

4. APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC

Any proposed changes to committees or outside bodies will be reported to the Council meeting.

5. ANNOUNCEMENTS

- (a) To receive announcements from the Lord Mayor, Chief Executive, Assistant Director for Finance or Head of Legal Services;
- (b) To receive announcements from the Leader, Cabinet Members or Committee Chairs.

6. QUESTIONS BY THE PUBLIC

To receive questions from and provide answers to the public in relation to matters which are about something the council is responsible for or something that directly affects people in the city, in accordance with Part B, paragraph 11 of the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Plymouth City Council, Civic Centre, Plymouth, PL1 2AA, or email to democraticsupport@plymouth.gov.uk. Any questions must be received at least five complete working days before the meeting.

RECOMMENDATIONS FROM CABINET

7. CITY DEAL SOUTH YARD PROPOSALS (Pages 19 - 62)

Cabinet Member: Councillor Evans (Council Leader).

The City Council will be asked to accept the funding offered as part of the City Deal Agreement (dated 31 January 2014) towards the creation of a South Yard Marine Industries Production Campus ie: Department for Communities and Local Government grant of £8m, a £5m loan from the Local Enterprise Partnership (Growing Places) and a loan of up to £1m from the Ministry of Defence.

The minute of Cabinet held on 9 December 2014 will be submitted together with the report considered at Cabinet.

8. COUNCIL TAX BASE SETTING 2015/16 AND COUNCIL TAX SUPPORT SCHEME 2015/16 (Pages 63 - 70)

Cabinet Member: Councillor Lowry (Cabinet Member for Finance).

The City Council will be asked to approve the Council Tax Base for 2015/16 Tax Setting and to continue the existing Council Tax Support scheme for 2015/16.

The minute of Cabinet held on 13 January 2015 will be submitted together with the report considered at Cabinet.

9. TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE BUSINESS PLAN 2015/19 AND 2015/16 REVENUE ESTIMATES AND CAPITAL PROGRAMME (Pages 71 - 128)

Cabinet Member: Councillor Coker (Cabinet Member for Transport).

The City Council will be asked to approve the Tamar Bridge and Torpoint Ferry Joint Committee's 2015-2019 Business Plan 2015 – 2019 (as amended by minute 28 of the Tamar Bridge and Torpoint Ferry Joint Committee) and to approve the 2015/16 Revenue Estimates and Capital Programme.

The minute of Cabinet held on 13 January 2015 will be submitted together with the report considered at Cabinet.

10. TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE: LOCAL GOVERNMENT PENSION SCHEME 2014 DISCRETIONS POLICY (Pages 129 - 150)

Cabinet Member: Councillor Coker (Cabinet Member for Transport).

The City Council will be asked to approve the Tamar Bridge and Torpoint Ferry Joint Committee's Local Government Pension Scheme 2014 Discretions Policy.

The minute of Cabinet held on 13 January 2015 will be submitted together with the report considered at Cabinet.

11. PAY POLICY STATEMENT 2015/16 (Pages 151 - 162)

Tracey Lee (Chief Executive) will submit a report seeking approval of the Pay Policy Statement 2015/16 and recommending that the Council applies for Living Wage accreditation.

12. APPOINTMENT OF A DEPUTY ELECTORAL REGISTRATION OFFICER (Pages 163 - 166)

Tracey Lee (Chief Executive) will submit a report recommending the appointment of a Deputy Electoral Registration Officer to act in her absence, as Electoral Registration Officer.

13. MOTIONS ON NOTICE

To consider motions from councillors in accordance with Part B, paragraph 14 of the Constitution.

14. QUESTIONS BY COUNCILLORS

Questions to the Leader, Cabinet Members and Committee Chairs covering aspects for their areas of responsibility or concern by councillors in accordance with Part B, paragraph 12 of the constitution.

15. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, Council is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

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City Council

Monday 24 November 2014

PRESENT:

The Lord Mayor, Councillor Fox, in the Chair.

The Deputy Lord Mayor, Councillor Murphy, Vice Chair.

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Casey, Churchill, Coker, Damarell, Darcy, Philippa Davey, Sam Davey, Downie, Drean, Evans, K Foster, Mrs Foster, Fry, Hendy, James, Jarvis, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr. Mahony, McDonald, Morris, Mrs Nelder, Nicholson, Mrs Nicholson, Parker-Delaz-Ajete, Penberthy, Mrs Pengelly, Rennie, Riley, Dr. Salter, Singh, John Smith, Peter Smith, Sparling, Stark, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent and Wheeler.

Also in attendance: Tracey Lee (Chief Executive), David Shepperd (Head of Legal Services and Acting Monitoring Officer), Judith Shore (Democratic and Members Services Manager) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

Apologies for absence: Councillors Ricketts, Storer and Wigans.

The meeting started at 2.00 pm and finished at 7.00 pm.

Note: At a future meeting, the Council will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

36. ORDER OF THE AGENDA

Agreed that the usual order of business is changed to that set out in the Council agenda, so that the Lord Mayor's announcements can be heard at the start of the meeting.

37. LORD MAYOR'S ANNOUNCEMENTS

The Lord Mayor –

(a) **The commemoration of the 100th Anniversary of the amalgamation of the three towns: East Stonehouse, Devonport and Plymouth.**

reported that the City Council meeting had been held at Devonport Guildhall to mark the 100th anniversary. The photograph of Plymouth Freemen and Alderman which had been taken before the Council meeting, had been organised to replicate the photograph taken outside Devonport Guildhall in c.1914. He also advised that he was wearing the Devonport Chain of Office and the Devonport Mace was in place at the meeting and, at his invitation, the Mace Bearer provided further details on the Civic Regalia to the meeting.

At the invitation of the Lord Mayor, Mike Sullivan, Plymouth's poet laureate read a poem that he had written to commemorate the centenary.

(b) **The Royal Navy Partnership Agreement.**

welcomed Commodore Little (Naval Base Commander), Commodore Farrington (Commander Devonport Flotilla) and Brigadier Stickland (Commanding Officer of 3 Commando Brigade Royal Marines) to the meeting for the signing of the agreement which was key to the city's success.

Following the signing of the agreement, Commodore Little responded that the Royal Navy and the Royal Marines had an historic relationship with Devonport. The relationship with Plymouth had been strengthened in recent years and he was keen to promote Plymouth's Ocean City and to develop and promote youth, veterans and serving members of the forces.

Commodores Little and Farrington and Brigadier Stickland left the meeting.

(c) **Former Councillor Valerie Burns**

referred to the recent death of former Councillor Valerie Burns on 16 November 2014 and the Council stood in silence as a mark of respect;

(d) **Illuminate 2014**

referred to the launch of the official countdown to Mayflower 400 – the 400th anniversary of the sailing of the Mayflower in 2020 – with Plymouth's Illuminate 2014 event held the previous week. He advised that a similar event was held in Plymouth Massachusetts and footage from the city's event was shown there. He thanked everyone involved in the project especially the Mayflower Project Manager, Cathryn Baldanza, and the Mayflower 400 Leadership Team.

The Council was informed that all the destinations along the Mayflower trail (representing the original Pilgrim's journey) would sign the Mayflower Compact and commit to work collaboratively together towards 2020.

(e) **Urbanism Awards - Devonport**

informed the Council that Devonport was a finalist in the international Academy of Urbanism Awards and had been chosen as an example of regeneration best practice in the 'Great Neighbourhood Award category'.

(f) **Plymouth Energy Community Renewables**

referred to the shortlisting of Plymouth Energy Community Renewables as an investee (with Ethex as investor) for the Investment Deal of the Year which recognised contributions towards the growth of social enterprises or the development of the movement as a whole. Both the investee and investor were being recognised and the winners would be announced on 26 November 2014. The Council wished them success.

(g) **Customer Service Excellence award – Sports Development Unit**

reported that the Sports Development Unit had maintained their Customer Service Excellence award in recognition of their high standard of customer service and their commitment to continuous improvement.

The Lord Mayor congratulated the Sports Development Unit and presented the award to Louise Kelley (Sports Development Manager), Martin Lees (Community Sports Manager), Barry Mountstevens (Sports Development Coordinator), Nyrene Dudley (Sport and Recreation Assistant) and Paul Johnson (Sport and Recreation Assistant) who were representing the unit.

38. **MINUTES**

Agreed the minutes of the special and ordinary meetings of the City Council held on 15 September 2014.

39. **DECLARATIONS OF INTEREST**

David Shepperd (Head of Legal Services) reported that some councillors had private interests in agenda item 14 (minute 49 referred), as members of the Local Government Pension Scheme and that it was not necessary to make individual declarations in relation to that item.

There were no other declarations of interest made by councillors in accordance with the code of conduct in relation to items under consideration at this meeting.

40. **APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC**

The report of the Head of Legal Services was submitted.

Agreed that –

- (1) the following appointments are approved -

	Committees and Other Bodies	Membership	Appointments 2014/15
(a)	Fostering Panel	One councillor. Councillor Stark has resigned from the panel.	Councillor Mrs Aspinall
(b)	Board of Four Greens Community Trust CIC	Two councillors. New appointments.	Councillors Downie and Jon Taylor

(c)	Board of Trustees of the Plymouth Drake Foundation – The Community Charity	Two councillors New appointments.	Councillors Drean and Penberthy
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(2) the following changes notified to the Head of Legal Services are noted -

	Committee, Outside Body etc	Membership
(d)	Planning Committee	Councillor Sam Davey to replace Councillor Wheeler
(e)	Co-operative Scrutiny Board	Councillor Parker Delaz Ajete to replace Councillor Jon Taylor
(f)	Caring Plymouth Scrutiny Panel	Councillor Mrs Nelder to replace Councillor Jon Taylor
(g)	Working Plymouth Scrutiny Panel	Councillor Jarvis to replace Councillor Mrs Nelder
(h)	Transformation Advisory Group	Councillor Sam Davey to replace Councillor Lowry
(i)	Mount Edgcombe Joint Committee	Councillor Sparling to replace Councillor McDonald and Councillor John Smith appointed as a substitute member

41. **ANNOUNCEMENTS**

The Leader -

(a) **David Mackay**

referred to the recent death of David Mackay and paid tribute to him for the significant role he had played in shaping the Master Plan for Plymouth in 2005.

The Council joined with the Leader in sending condolences to David's family and colleagues.

(b) **Rail Connectivity and Investment**

advised the Council of the actions and progress which had been taken since the Council Motion on Notice on 24 February 2014 which called upon the Prime Minister to expedite the study into the delivery of a fast and resilient additional rail connection to the south west and Plymouth including –

- lobbying for £7.6 billion investment to deliver a south west railway;
- campaigning for faster journey times, better connectivity, sufficient capacity and comfort on journeys;
- the expansion of the Devon metro network to provide new local rail connections to Exeter and Plymouth;
- meetings with the Secretary of State for Transport, Members of Parliament;
- evidence to the Parliamentary Transport Select Committee.

Councillors were assured that the Council would continue to keep this pressure up.

(c) **Plan for Jobs**

thanked all the businesses, city partners and members of the community for helping the Council to achieve the 2,000 job creation target in only 18 months. Special mention was made of the 1000 Club which had led to over 1000 young people getting work.

He also thanked the teams that have worked to ensure the plan has delivered: the Economy Enterprise and Employment, Planning and Housing Delivery, Land and Property and the Procurement Teams; and the Jobs Task Force, Plymouth Growth Board, partners including the University and City College and individual businesses.

Councillor Tuffin referred to the **new standards for home care in Plymouth** and made particular reference to the work with the NEW Devon Clinical Commissioning Group to improve standards in domiciliary care. He thanked and congratulated the Joint Commissioning Team on their work.

Councillor Penberthy referred to the **Plan for Homes** and indicated that progress would be reported to the Working Plymouth Scrutiny Panel shortly. He announced that the affordable housing loans facility was now available and that applications would be welcomed from registered providers, partners, housing co-operatives and the community land trust to support affordable homes in Plymouth.

42. **QUESTIONS BY THE PUBLIC**

One question was submitted by a member of the public for this meeting, in accordance with Part B, paragraph 11 of the Constitution.

Alderman Bishop attended the meeting and asked his question.

Councillor Coker responded as set out below (which had been amended from the response printed in the order of proceedings for the meeting) -

Question No	Question By	Cabinet Member	Subject
(14/15)	Alderman Robert Bishop	Councillor Coker, Cabinet Member for Transport	Bus Clearway at Pemros Road
<p>Can you please tell me when the Bus Clearway at the bottom of Pemros Road, St Budeaux will installed?</p> <p>It was agreed over twelve months ago following consultation with residents. I am advised that it is on the priority list but there is still no sign of any action.</p>			
<p>Response</p> <p>Councillor Wheeler recently brought the outstanding Bus Stop Clearway to my attention, he re stressed the importance of restricting parking at this bus stop to enable buses to pull up to the kerb to offer improved accessibility for passengers.</p> <p>I am pleased to say that this situation has been rectified and the bus clearway has been put in and is complete and I thank Councillor Wheeler and Alderman Bishop for their help in this matter and bringing it to my attention.</p>			

RECOMMENDATIONS FROM CABINET, CO-OPERATIVE SCRUTINY BOARD AND OTHER COMMITTEES

43. **Tamar Bridge and Torpoint Ferry Joint Committee: Bridge Office Development**

Councillor Coker (Cabinet Member for Transport) presented the Tamar Bridge Office development proposal for addition to the Tamar Bridge and Torpoint Ferry Joint Committee's capital programme. (Cabinet minute 57 refers). Councillor Wheeler seconded the proposal.

Councillor Evans proposed and Councillor Stevens seconded the following amendment -

'To number the following recommendation -

- (1) Tamar Bridge Office Development is added to the Tamar Bridge and Torpoint Ferry Joint Committee's capital programme with a budget of £3.33million;

And add -

- (2) It is noted that -
 - (i) the Tamar Bridge and Torpoint Ferry are jointly owned by the two local authorities of Plymouth City Council and Cornwall Council;
 - (ii) the bridge and ferries are operated as a single business which is self-financing;

- (iii) without toll income to fund the operation, approximately £10million revenue funding would be required annually (based on 2013/14 figures) which could require at least a ten per cent increase in Council Tax.'

Councillor Coker indicated that he was happy to accept the amendment as the suggestion to remove tolls which had been made in the press by a UKIP Parliamentary Candidate would require an alternative source of income to be found.

Following a request from ten councillors for a recorded vote, the vote was –

For the motion (50)

Councillors Mrs Aspinall , Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Churchill, Coker, Damarell, Darcy, P. Davey , S Davey , Downie, Drean, Evans, Foster, Mrs Foster, Fry, Hendy, James, Jarvis, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr Mahony, McDonald, Morris, Murphy (Deputy Lord Mayor), Mrs Nelder, Nicholson, Mrs Nicholson, Parker Delaz Ajete, Penberthy, Mrs Pengelly, Rennie, Dr Salter, Singh, J. Smith, P. Smith, Sparling, Stark, Stevens, J. Taylor, K. Taylor, Tuffin, Tuohy, Vincent and Wheeler.

Against the motion (0)

Abstentions (4)

*Councillors Mrs Bridgeman, Casey and Riley.
The Lord Mayor did not vote.*

The following members were absent (3)

Councillors Ricketts, Storer and Wiggins.

The amendment was agreed.

Councillor Coker summed up on the substantive motion and following a request from ten councillors for a recorded vote, the vote was –

For the motion (51)

Councillors Mrs Aspinall , Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Casey, Churchill, Coker, Damarell, Darcy, P. Davey , S Davey , Downie, Drean, Evans, Foster, Mrs Foster, Fry, Hendy, James, Jarvis, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr Mahony, McDonald, Morris, Murphy (Deputy Lord Mayor), Mrs Nelder, Nicholson, Mrs Nicholson, Parker Delaz Ajete, Penberthy, Mrs Pengelly, Rennie, Dr Salter, Singh, J. Smith, P. Smith, Sparling, Stark, Stevens, J. Taylor, K. Taylor, Tuffin, Tuohy, Vincent and Wheeler.

Against the motion (0)

Abstentions (3)

*Councillors Mrs Bridgeman and Riley.
The Lord Mayor did not vote.*

The following members were absent (3)

Councillors Ricketts, Storer and Wigans.

The motion as amended was carried and it was Agreed that –

- (1) Tamar Bridge Office Development is added to the Tamar Bridge and Torpoint Ferry Joint Committee's capital programme with a budget of £3.33million;
- (2) it is noted that –
 - (a) the Tamar Bridge and Torpoint Ferry are jointly owned by the two local authorities of Plymouth City Council and Cornwall Council;
 - (b) the bridge and ferries are operated as a single business which is self-financing;
 - (c) without toll income to fund the operation, approximately £10million revenue funding would be required annually (based on 2013/14 figures) which could require at least a ten per cent increase in Council Tax.

44. **Capital and Revenue Monitoring 2014/15**

Councillor Lowry (Cabinet Member for Finance) presented the Capital and Revenue Monitoring Report 2014/15 (Cabinet minute 71 referred) and proposed the revised capital budget for 2014 – 2018 for approval.

Councillor Tuffin seconded the proposal.

Councillor Bowyer asked Councillor Lowry to consider a master plan for the next six months to address the budget gap and Councillor Lowry drew councillors' attention to the action plan that was included within the Cabinet report.

The report was noted.

Agreed the revised capital budget for 2014 – 18 of £210.154m.

45. **Annual Scrutiny Report 2013/14**

Councillor James (Chair of the Co-operative Scrutiny Board) presented the Annual Scrutiny Report 2013/14 (Co-operative Scrutiny Board minute 57 referred) and thanked chairs, members and co-optees of the panels. He also referred to the contribution made by Councillor Mrs Aspinall and thanked her for her work.

Councillor Mrs Aspinall responded and also thanked all the scrutineers.

The Annual Scrutiny Report 2013/14 was noted.

46. **Revised Terms of Reference for Overview and Scrutiny**

Councillor James (Chair of the Co-operative Scrutiny Board) presented the revised terms of reference for overview and scrutiny for approval (Co-operative Scrutiny Board minute 70 referred) and indicated that they would enable the board and the panels to be more efficient and effective with a focus on transformation. Councillor Mrs Aspinall seconded the proposal.

Agreed the new terms of reference for the Co-operative Scrutiny Board and the co-operative scrutiny panels and incorporate them into the constitution.

47. **Annual Report on Treasury Management Activities for 2013/14**

Councillor Wheeler (Chair of the Audit Committee) presented the Annual Report on Treasury Management Activities for 2013/14 (Audit Committee minute 26 referred) which required Council approval in accordance with the Code of Practice for Treasury Management. He also referred to the table on Incremental Impact of Capital Investment Decisions (page 101 of the agenda papers referred) and reported there was a typographical error in the heading which should be amended from '£m' to '£'.

The Annual Report was noted, with the amendment.

48. **MOTIONS ON NOTICE**

There were no motions for consideration.

49. **LOCAL GOVERNMENT PENSION SCHEME 2014 - EMPLOYER DISCRETIONS**

Councillor Peter Smith (Deputy Leader) proposed and Councillor Lowry seconded the recommendations in the report of the Assistant Chief Executive on employer discretions following the introduction of the new Local Government Scheme Regulations (Local Government Pension Scheme) 2014 on 1 April 2014.

Councillor Bowyer sought clarification of the position of councillors' interests as members of the scheme and the Lord Mayor indicated that the matter had been dealt with at the beginning of the meeting and that no individual declarations were necessary.

Agreed the recommended discretions as they apply to current scheme members, employees eligible for scheme membership or previous scheme members and to endorse the following policy documents and guide as submitted, to give effect to the changes set out in the report

—

- Plymouth City Council Discretions under the Local Government Pensions Scheme Regulations
- Early Retirement Discretionary Pensions Arrangements Policy
- Flexible Retirement Guide

50. **REVISION TO CABINET MEMBERSHIP 2014/15 AND LEADER'S SCHEME OF DELEGATION**

Councillor Evans (Council Leader) presented his revision to the Cabinet Membership and the Leader's Scheme of Delegation and welcomed Councillor Jon Taylor to the Cabinet.

The report was noted.

51. **KEY DECISION FINANCIAL THRESHOLD FOR SAVINGS**

Councillor Peter Smith (Deputy Leader) proposed and Councillor Stevens seconded the recommendations in the report of the Assistant Chief Executive on the key decision financial threshold for savings. The Council was advised that the proposals had been approved by the Constitutional Review Group and Councillor James (Chair of the Co-operative Scrutiny Board) and Cabinet Members had also been consulted.

Agreed to –

- (1) increase the key decision threshold in relation to savings from £500,000 to £1 million (unless the saving has a material impact upon service provision such as a significant change or a cessation of service delivery and associated staff redundancies or a significant impact on customers);
- (2) amend the Council's constitution accordingly.

52. **FILMING, PHOTOGRAPHY, RECORDING AND USE OF SOCIAL MEDIA AT PUBLIC MEETINGS OF THE COUNCIL**

Councillor Peter Smith (Deputy Leader) proposed and Councillor Stevens seconded the recommendations in the report of the Assistant Chief Executive on filming, photography, recording and use of social media at public meetings of the Council.

Councillor Darcy moved the following amendment –

'The protocol on filming, photography, recording and use of social media at public meetings of the Council should return to the Constitutional Review Group for further consideration.

The proposed protocol, in parts, is beyond the scope of current legislation and Home Office guidance. Furthermore the protocol, in parts, is lacking sufficient detail.'

David Shepperd (Head of Legal Services) clarified the amendment indicating that the first paragraph would replace recommendations (1) and (2) and the second paragraph was the reason for the amendment. This was agreed by Councillor Darcy.

In response to a point of order by Councillor Stevens, he also confirmed that he was satisfied that the report considered by the Constitution Review Group was a lawful report.

Councillor Darcy reported that he was moving the amendment because he felt that there was not enough detail in front of councillors in order to make a decision particularly in relation to the timeframe, officer contact details, and the use of mobile devices by officers. He also referred to Home Office Guidance which indicated that no permission was required for filming.

Councillor Jordan seconded the amendment.

During the debate, the issues raised included that -

- (a) no permission or vetting had been suggested in the protocol;
- (b) if the protocol was not approved by the Council, a protocol would not be in place until the next meeting in January 2015;
- (c) councillors could have raised issues with the Chair of the Constitutional Review Group;
- (d) the Constitutional Review Group was not a public meeting and there were no public minutes of the meeting;
- (e) footage and photographs could be altered and used against individuals;
- (f) the proposal promoted openness and transparency;
- (g) legislation permitted a councillor to take a photograph of another councillor at a meeting.

Following a vote, the amendment was not agreed.

During the debate on the main motion, the issues raised included that -

- (i) no-one had approached the Chair of the Constitutional Review Group (CRG) with any issues on the protocol;
- (j) councillors had not had access to the minutes of the CRG;
- (k) the Leader of the Opposition was a member of the CRG and supported the proposals;
- (l) the members of the CRG had not had access to the Home Office Guidance at the meeting.

Following a vote, Agreed to –

- (1) approve the protocol on filming, photography, recording and the use of social media at meetings of the Council; and
- (2) include the protocol in Part G (Codes and Protocols) of the Council's constitution

53. **SENIOR MANAGEMENT RESTRUCTURE PEOPLE DIRECTORATE AND DESIGNATION OF MONITORING OFFICER AND SECTION 151 OFFICER**

The Chief Executive introduced her joint report with the Strategic Director for People on the senior management restructure People Directorate and designation of Monitoring Officer and Section 151 Officer.

Councillor Evans (Council Leader) proposed and Councillor Peter Smith (Deputy Leader) seconded the recommendations in the report.

Agreed to –

- (1) approve the proposals for changes to the People Directorate's organisational structure;
- (2) note the outline timetable implementing the changes;
- (3) establish an Appointments Panel with delegated authority to consider any further responses from the collective and individual consultation undertaken; approve the role profiles of the new positions; agree how the roles will be selected; make appointments to Chief or Deputy Chief Officer roles as appropriate and agree the dismissal of any Chief Officer by means of redundancy subject to the Council's redundancy policy;
- (4) establish an Appeal Panel with delegated authority for hearing and considering any appeals against any potential Chief Officer redundancies;
- (5) delegate to the Strategic Director for People the function of appointing and dismissing the new post of Head of Commissioning and Head of Housing who will report directly to the Strategic Director for People given the nature and responsibility of these posts;
- (6) note the appointment of Lesa Annear as Strategic Director for Transformation and Change and the interim arrangements that have been put in place pending her arrival in the New Year;
- (7) confirm the designation of the Assistant Director for Finance, as the Council's officer responsible for the administration of its financial affairs in accordance with Section 151 of the Local Government Act 1972 in light of the changes created by the senior management restructure; and
- (8) formally designate the Head of Legal Services as the Council's Monitoring Officer with immediate effect. (The Head of Legal Services has been acting as Monitoring Officer since March 2014).

54. **QUESTIONS BY COUNCILLORS**

In accordance with paragraph 12 of the constitution, the following questions were asked of the Leader, Cabinet Members and Committee Chairs covering aspects of their areas of responsibility -

	From	To	Subject
1	Councillor Mike Leaves	Councillor Vincent	Could you confirm that you will continue to collect refuse from the rear of properties as currently done now and that you or senior officers have not given instructions to drivers or employees to change the arrangements?
	Response: Councillor Vincent responded that waste collection was being reviewed and that there may be instances where that may not be possible. The preferred option was to maintain the service but that he was awaiting a report following the review.		
2	Councillor Jordan	Councillor McDonald	How long should it take to pay funding grants to nurseries and was it acceptable that they were being paid two or three weeks later than they should be and were putting organisations under undue pressure, risking people's jobs and the safety of children?
	Response: Councillor McDonald responded that she did not know how long it took. She was concerned if safety was being compromised and would welcome specific examples from Councillor Jordan if the timing of payments was causing safety issues for children.		
3	Councillor Dr Mahony	Councillor Coker	Was it reasonable that items agreed to be implemented from the Living Streets Budget on 18 June, had not yet been costed and why did it take so long as it was difficult to plan spending of the remaining amount without knowing how much had been committed?
	Response: Councillor Coker responded that he could not find a reason, however it was disappointing that if there was a particular issue, it had not been raised with him until now. If Councillor Dr Mahony provided him with the details he would look into it.		
4	Councillor Martin Leaves	Councillor Coker	At a Living Streets meeting he was told that a councillor had come up with a ludicrous proposal to close the junction of North Prospect Road with Segrave Road. Could he be told which councillor made the proposal?
	Response: Councillor Coker responded that the Living Streets Programme was money allocated to councillors for their own ward. The only time that it came to him to sign was either for Traffic Regulation Orders or if there were any particular difficulties. He was not aware of the specific issue but would look into it.		
5	Councillor Patrick Nicholson	Councillor Lowry	Given the level of concern in local communities regarding the disposal of sites, would he allow community consultation when sites were advertised for disposal? Did he still agree with the current policy?

	<p>Response: Councillor Lowry responded that he was happy with the current policy. Ward councillors had the opportunity to object. If councillors were unable to represent their communities, he would need to be advised and he would engage with those communities direct.</p>			
6	Councillor Beer	Mrs Penberthy	Councillor Penberthy	<p>Could she invite the councillor to visit Plympton St Maurice Guildhall and when would money be invested to bring the guildhall up to standards of those at Devonport Guildhall to allow the Civic Society to acquire the premises under the Community Asset Transfer Scheme? Plympton St Maurice Guildhall had fallen into disrepair and the community were not prepared to take it on until it was brought up to standard.</p>
	<p>Response: Councillor Penberthy responded that an application would need to be made and a business case developed. At Devonport Guildhall there had been a seven figure investment from external bodies to the community (not the Council). There was no provision for capital investment which was why the capital asset transfer scheme had been introduced. Plympton community groups were encouraged to work with the Council to secure external funding.</p>			
7	Councillor Taylor	Kate	Councillor Stevens	<p>At the next Planning Committee there would be an application for the incinerator. Was the Chair planning to hold the meeting two days before Christmas?</p>
	<p>Response: Councillor Stevens responded that he would not and a decision would not be forced through. It would be considered at a regular meeting and there would be no attempts to stop the press reporting.</p>			
8	Councillor Jordan		Councillor Coker	<p>Could he advise how powerful the new eco street lights were? There were safety concerns and the new ones should be at least as bright as the ones that were being replaced.</p>
	<p>Response: Councillor Coker responded that he would provide the detail (which was on the website). To date 6,000 new lights had been installed affecting 50,000 residents. He had received five email complaints and one on face book. Three of those had now been addressed by officers. If Councillor Jordan or other councillors were aware of concerns, he would be grateful if they could be forwarded to him.</p>			
9	Councillor Mahony	Dr	Councillor Lowry	<p>Why were there different processes for the disposal of land surplus to requirements, mainly for housing and what were the different processes?</p>

	<p>Response: Councillor Lowry responded that he was not aware of different processes. He asked that Councillor Dr Mahony provide him with an example.</p>		
10	Councillor Darcy	Councillor Coker	<p>Could he confirm the policy position on whether taxi drivers subject to purchase tests were reimbursed for economic loss (fares lost)?</p>
	<p>Response: Councillor Coker responded that he would provide the information.</p>		
11	Councillor Jordan	Councillor Lowry	<p>If there was no official consultation on many areas for sale, who did residents write to with concerns? Some sites were consulted upon and others only if an offer were received.</p>
	<p>Councillor Lowry responded that there was a consultation exercise where there was a loss of public open space and it was advertised in the Herald. If there was still confusion, he would ask officers to meet with the councillor and explain the process.</p>		
12	Councillor Martin Leaves	Councillor Vincent	<p>Was he aware that fly tipping was on the increase around Plymouth?</p>
	<p>Response: Councillor Vincent responded that he was not aware of an increase.</p>		

Please note that questions, answers, supplementary questions and supplementary answers have been summarised.

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DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?

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Does the business relate to or is it likely to affect a disclosable pecuniary interest (DPI)? This will include the interests of a spouse or civil partner (and co-habitees):

- any employment, office, trade, profession or vocation that they carry on for profit or gain
- any sponsorship that they receive including contributions to their expenses as a councillor or the councillor’s election expenses from a Trade Union
- any land licence or tenancy they have in Plymouth
- any current contracts leases or tenancies between the Council and them
- any current contracts leases or tenancies between the Council and any organisation with land in Plymouth in they are a partner, a paid Director, or have a relevant interest in its shares and securities
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities

No

Yes

Declare interest and leave (or obtain a dispensation)

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Does the business affect the well-being or financial position of (or relate to the approval, consent, licence or permission) for:

- a member of your family or
- any person with whom you have a close association; or
- any organisation of which you are a member or are involved in its management (whether or not appointed to that body by the council). This would include membership of a secret society and other similar organisations.

Yes No You can speak and vote

Will it confer an advantage or disadvantage on your family, close associate or an organisation where you have a private interest more than it affects other people living or working in the ward?

Yes No Declare the interest and speak and vote

Speak to Monitoring Officer in advance of the meeting to avoid risk of allegations of corruption or bias

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Cabinet members must declare and give brief details about any conflict of interest* relating to the matter to be decided and leave the room when the matter is being considered. Cabinet members may apply to the Monitoring Officer for a dispensation in respect of any conflict of interest.

*A conflict of interest is a situation in which a councillor’s responsibility to act and take decisions impartially, fairly and on merit without bias may conflict with his/her personal interest in the situation or where s/he may profit personally from the decisions that s/he is about to take.

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CITY COUNCIL: 26 JANUARY 2015

City Deal South Yard Proposals

**Cabinet minute 102: 9 December 2014**

Anthony Payne (Strategic Director for Place) submitted a report seeking approval to proceed with the finalisation of a Land Transfer Agreement to transfer areas of HM Naval Base South Yard from the Ministry of Defence (MoD) to Plymouth City Council as part of the Plymouth and South West Peninsula City Deal.

The report –

- (a) presented a high-level vision and master-plan of the future South Yard Marine Industries Production Campus site which sought to safeguard and enhance its historic legacy;
- (b) presented a summary of the results of feasibility, site investigations and master-planning work which had been ongoing throughout 2014 and summarised the status of land transfer negotiations with the MoD to effect the transfer of parts of South Yard to Plymouth City Council for redevelopment as a Marine Industries Production Campus;
- (c) indicated that the site would provide new employment space along with access to deep water jetties and docks, thereby enabling marine sector companies to undertake a range of research, development and general commercial marine activities;
- (d) proposed the development of a business case to immediately begin direct development on the site on the eastern area of South Yard Area I site to create high-quality office space and a number of hybrid office/workshop units with flexibility to accommodate marine related design, training, technology development, laboratory and testing facilities, which were estimated to create over 150 jobs, along with construction jobs and apprentices;
- (e) advised that, to safeguard the Naval Heritage Collection in the South Yard site, the Council had provided a commitment to retain it on site until an alternative arrangement was agreed between the MoD and Plymouth City Council;
- (f) informed Cabinet Members that, once developed, the campus should also contribute to the south west region's Marine Energy Park concept to help support the wider marine renewable energy sector and hence contribute to the wider economic benefit of the region.

Councillor Evans (Council Leader) introduced the proposals and reiterated his comments in relation to his discussions with the Rt Hon Michael Fallon MP (Defence Secretary). He indicated that during those discussions, he had paid tribute to role of Commodore Little in the progress of this initiative.

Mark Turner (South Yard Project Manager), David Draffan (Assistant Director for Economic Development) and Patrick Hartop (Head of City Deal) and Gareth Simmons (Head of Capital Strategy) attended the meeting for this item and indicated that the proposals had been phased so that an early start could be made on site. The challenges facing the Council would be in relation to construction to safeguard the heritage of the site and that the outcome needed be self-sustaining.

Alternative options considered and the reasons for the decision –

As set out in the report.

Agreed –

- (1) to delegate to the Strategic Director for Place the negotiation, finalisation and signing of a legal agreement to transfer areas of South Yard (namely Areas 1 and 5) from the Secretary of State for Defence to the Council;
- (2) to authorise officers to prepare a detailed design and business case for a direct development proposal on the eastern area of South Yard Area 1 site.

The City Council is Recommended to accept the funding offered as part of the City Deal Agreement (dated 31 January 2014) towards the creation of a South Yard Marine Industries Production Campus ie: Department for Communities and Local Government grant of £8m, a £5m loan from the Local Enterprise Partnership (Growing Places) and a loan of up to £1m from the Ministry of Defence.

PLYMOUTH CITY COUNCIL

Subject: Finalisation of the Land Transfer Agreement to transfer areas of South Yard from MOD to Plymouth City Council as part of City Deal

Committee: Cabinet

Date: 9 December 2014

Cabinet Member: Councillor Evans

CMT Member: Anthony Payne (Strategic Director for Place)

Author: Mark Turner, MIPC South Yard Project Manager

Contact details: Tel: 01752 304991
Email: mark.turner@plymouth.gov.uk

Ref: MTDec14

Key Decision: Yes

Part: I

Purpose of the report:

This report seeks approval to proceed with the finalisation of a Land Transfer Agreement to transfer areas of South Yard from MoD to Plymouth City Council as part of the City Deal and presents a high-level vision and master-plan of the future South Yard MIPC site which seeks to safeguard and enhance its historic legacy. The report presents a summary of the results of feasibility, site investigations and master-planning work which has been ongoing throughout 2014 and summarises the status of land transfer negotiations with the MoD to effect the transfer of parts of HM Naval Base South Yard to Plymouth City Council for redevelopment as a Marine Industries Production Campus (MIPC) in line with the Plymouth and South West Peninsula City Deal Agreement.

The Council, the MoD and the Navy have been in discussions for many years with regard to the future of South Yard and its potential to be released to the City for redevelopment. As part of the City Deal Agreement, this transfer can now finally become a reality which provides an outstanding and unique opportunity to create a new marine industries production campus (MIPC) within and for the City.

This campus will complement the region's key strength in the marine and advanced marine research and manufacturing sectors. The South Yard site will provide new employment space along with access to deep water jetties and docks, thereby enabling marine sector companies to undertake a range of research, development and general commercial marine activities.

Taking over and redeveloping over seven hectares of the South Yard site will be very challenging with many uncertainties and inherent and often unquantifiable risks to be overcome. The site will take many years to fully redevelop but will ultimately make a substantial contribution to the local economy through the creation of over 1,200 specialist and highly skilled local jobs for Plymouth and wider region. It is estimated that the gross value added (GVA) to the economy by the site will be £136.7m per annum when fully developed.

To initiate the redevelopment process, market the campus site and create employment opportunities from the outset, the report proposes the development of a business case to immediately begin direct development on the site on the eastern area of South Yard Area I site. This initial development will create high-quality office space and a number of hybrid office/workshop units with flexibility to accommodate marine related design, training, technology development, laboratory and testing facilities which are estimated to create over 150 jobs, along with construction jobs and apprentices.

To safeguard the Naval Heritage Collection already in the South Yard site, the Council has provided a commitment that the Collection will remain on site in South Yard until an alternative arrangement is agreed between the MoD and Plymouth City Council.

The future South Yard MIPC master-plan will, when delivered, convert over 10,000m² of existing building floor space for marine related employment use and provide over 15,000m² of floor space in new buildings. It is anticipated that this employment space will be used for marine consultancies; design, research and development; laboratories and production; hi-tech fabrication, repair and assembly; and other waterside, dock and support activities.

In addition to the direct benefits resulting from new business and employment, South Yard's business activity will have a positive secondary benefit for the local area in terms of general spending and in helping to sustain existing inter-related marine, manufacturing and research related business activity already present in the City through such aspects as more effective and local supply chain management. Once developed the MIPC should also contribute to the South West region's Marine Energy Park concept to help support the wider marine renewable energy sector and hence contribute to the wider economic benefit of the SW region.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The creation of a MIPC in the City will directly contribute towards achieving the City's Vision of Plymouth becoming one of Europe's most vibrant waterfront cities and it will be delivered by the Council providing strong leadership and working in partnership with our City Deal partners, local community and the private sector.

The creation of a MIPC will also contribute to the Council's core objectives as follows:

Growing Plymouth – the regeneration of South Yard as a marine industries production campus will create many new jobs for the City, most of which will be highly skilled in specialist marine sectors. In addition the MIPC will facilitate economic investment and growth opportunities by attracting local, national and international marine related companies and organisations to the area.

Confident Plymouth – South Yard is a spectacular historic maritime site which, following its transfer from MoD to Plymouth City Council, will ultimately become a key specialist marine employment and production campus for the City and will further enhance the City's reputation as a world class centre for marine research, development, design innovation and engineering.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:

The decision to proceed with the land transfer of areas of South Yard to the Council for development as a Marine Industries Production Campus will have capital, revenue, land and resources implications.

Land

Heads of terms for the land transfer agreement have been agreed such that it is intended to transfer 7.4 hectares of South Yard from MoD to the Council in three phases conditional on providing continuity of operational service provision and maintaining security for the MOD retained estate.

The timing of land transfers are provisionally targeting Area 1 East in March 2015, Area 1 West by April 2016 and Area 5 by April 2017 and the transfers will be for freehold of Area 1 East and a long leasehold (299 years) of the remaining site areas. Licences and rights will be established for each party whilst the separation works are ongoing.

Designated employment uses will be permitted on all three transferred sites although there will be conditions, constraints and protocols attached to developing the site in the future recognising the MoD's Warships in Harbour requirement to safeguard site occupants from berthed warships carrying armaments.

The transfer agreement will include terms for reimbursement of MoD separation costs, any existing land value and for the sharing of any development profits above a target level that covers the Council's costs of developing the project.

The Council will be responsible for covering any additional MoD security requirements revenue costs and there will be a commitment for the Naval Heritage Collection to remain in the South Yard site until an alternative arrangement is agreed between the MoD and Plymouth City Council;

The MoD has provided land quality assessments based on previous surveys but the MoD will not retain any liability for land contamination on the transferred site hence the Council will need to manage any site contamination that is found.

Although the above arrangements are not legally binding at this stage it is intended that parties will develop them into detailed legal agreements for completion before the end of March 2015 in line with the target date set out within the City Deal Agreement.

Capital and Revenue Implications

A financial business case model has been developed for the project which considers how the currently available capital funding will be spent and what further grant funding is needed by the Council to complete the separation and preparation of the site and undertake sufficient direct development such that the revenue costs for running the site are covered by income streams. This cost information is presented in the background report and is summarised below.

Capital

The City Deal Agreement provides for various capital funding allocations which are dependent on the Council taking on and progressing the South Yard site. These are set out below:

Available, agreed and bid funding sources for South yard MIPC development

Funding Source	Amount	Status
Plymouth City Council	£5m	Capital - approved
Department for Government and Local Communities (DCLG)	£4m (2015/16) £4m (2016/17)	Agreed as part of City Deal Agreement. To be a Section 31 capital grant
LEP (Growing Places funding)	£5m	Agreed as part of City Deal Agreement
Ministry of Defence (MoD)	Up to £1m	Agreed as part of City Deal Agreement.
LEP (New Growth Deal 2)	Up to £1.5m	Capital grant bid submitted (Nov 2014) for direct development
Total capital funding currently available	£19m + £1.5m bid	

Recognising the capital funding currently available (as shown above), a phased programme of works to develop the South Yard site is proposed. For the first five years this work will be prioritised on site separation and site preparation works across the whole site with some direct development in Area I proposed subject to a separate business case being approved early in 2015.

An envisaged spend profile for the next five years together with an estimate of works that can be currently funded is set out in the table below along with an estimate of the additional capital grant funding required to deliver further direct development in Area I which is ultimately needed to generate revenue income for the Council to offset revenue expenditure. Assuming all the additional grant required is obtained within the modelled time periods then the project has a pay-back period of between 25 and 30 years.

Summary table of capital expenditure on the South Yard MIPC site for next 5 years with assumed construction inflation at 4% per annum.

Works	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	Future years £,000	Total £,000
Total estimated capital expenditure of works above	£911	£3,314	£9,510	£6,063	£3,488	£16,288	£39,574
Funded by currently available City Deal funds (assuming £1.5m of New Growth Deal grant received)	Yes – all the above	Yes – all the above	Yes – all the above	Yes – all the above	Only £700k of the above	None of the above	
Additional capital grant required to deliver more Area I direct development				£4,004	£4,480		£8,484

Based on the cost modelling analysis a further £28m of public sector capital grant money is needed, in addition to the that already available, for the Council to fund the completion of site preparation and public works across the whole site and fund a substantial element of direct development in Area I in order to generate revenue income. Assuming all the additional grant required is obtained within the modelled time periods then the project has a pay-back period of between 25 and 30 years.

If this additional grant funding is not available then the development of the site could be taken forward by the private sector or development of the site by the Council can be slowed with areas of the site remaining unprepared for development and/or moth-balled for a period of time to reduce revenue costs on the Council.

Revenue

Based on the cost modelling which is built on a range of assumptions, it is estimated that there will be a net revenue impact on the Council which will need to be accounted for between 2015/16 and 2018/19 following which income will then exceed expenditure.

These revenue costs will fund aspects such as site management, MoD and site security, insurance, empty building business rates, loan repayments etc. These revenue costs will initially have to be fully met by Plymouth City Council although over time this revenue demand will be reduced and offset by rents, service charges and business rates received from organisations moving into the MIPC site.

All additional NNDR (Business Rates) generated from this project and detailed in this report will be captured as part of our GAME programme as part of the Growth Dividend work stream. This will then form a component part of the overall council resource envelope which is used to finance the council's priorities. One such priority will be ensuring adequate funding is available to support this project. For the purposes of estimating revenue income in this report it is assumed that these business rates will be used to support this project and therefore these are included within the Total Revenue Income (see table below).

A summary of estimated revenue expenditure and income over the next five years is shown in the table below although it must be noted that this is based on current information and a range of assumptions and is likely to change. Cost reductions and clarifications are still being explored along with the potential to capitalise some of these costs although in the meantime an allocation of £1m contingency has been requested in the MFTP to cover the estimated revenue liabilities between 2015/16 and 2018/19.

Summary table of total revenue expenditure and income over first five years

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Total Revenue Expenditure	26	152	1,043	1,037	1,096
Total Revenue Income	0	(23)	(448)	(703)	(1,303)
Net Revenue Position (assuming no capitalisation)	26	129	595	334	(207)

It should be noted that the positive net revenue position shown in the table above from 2019/20 onwards is based on a number of significant assumptions including that the Council receives more grant funding and progresses the majority of direct development across Area I West. Without this additional direct development to generate income the revenue position will remain adverse although there will be opportunities for the Council to reduce its liabilities and expenditure by such means as slowing down the development of the MIPC site and/or moth-balling development areas for a period of time.

Resources

Given that the first part of the South Yard site will transfer to the Council in April 2015, officers are reviewing options for the most appropriate Council governance model for this project and also the best delivery vehicle to manage and deliver the site development and ongoing campus. This future governance and delivery arrangement will steer, direct and manage the project alongside the existing South Yard Programme Board (SYPB) which is intended to continue until the land transfer has been completed in 2017. The SYPB currently consists of multiple stakeholders who have steered the investigation, feasibility, master-planning and transfer of South Yard to date.

In the short-term, management resources are provided from within existing City Deal capital costs and from existing Economic Development resources and an additional estate management resource of a Grade J Principal Surveyor has been provisionally identified with revenue costs for 2016/17.

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

The scale, complexity and short-timeframes associated with understanding, negotiating and transferring parts of South Yard from the MoD to Plymouth City Council as part of City Deal inevitably leads to a number of significant risks, liabilities and unknowns. These issues have to be recognised and accepted by Plymouth City Council at this point in time in order to proceed with the delivery of the MIPC and create the future opportunity that will ultimately be a major asset for the City and sub-region.

The significant risks, liabilities and unknowns identified at this stage and how these are being managed are set out in the background report but the key risks identified are:

1. Failure to secure additional public sector capital grants
 2. Cost estimates/allowance prove significantly lower than actually required due to unknowns such as ground contamination
 3. Market demand and take up of the MIPC site is slower than anticipated or is insufficient
 4. Onerous constraints/conditions attached to land transfers
 5. Land transfers cannot be achieved to agreed timeframes
-

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

1. To delegate to Strategic Director for Place the negotiation, finalisation and signing of a legal agreement to transfer areas of South Yard (namely Areas 1 and 5) from the Secretary of State for Defence to the Council.
Reason: to allow negotiations on the land transfer to continue but be concluded before the end of March 2015 in line with target dates set within the City Deal Agreement.
2. To recommend to Full Council the acceptance of the funding offered as part of the City Deal Agreement (dated 31st January 2014) towards the creation of a South Yard MIPC ie: DLCC grant £8m, LEP (Growing Places funding) £5m loan and MoD up to £1m loan.
Reason: The funding identified as part of the City Deal Agreement has not yet been formally recognised within the Council's capital budget but is now certain based on the Terms of the City Deal agreement and subject to the signing of the South Yard land transfer agreement.
3. To authorise officers to prepare a detailed design and business case for a direct development proposal on the eastern area of South Yard Area 1 site.
Reason: To authorise resources to investigate and prepare a direct development proposal for South Yard which could secure a grant of £1.5m from the New Growth Fund (subject to approval) and if then taken forward will accelerate development and generate market interest in the South Yard MIPC site. This direct development proposal is estimated to deliver 149 and 176 new jobs.

Alternative options considered and rejected:

1. Do nothing and not progress the land transfer of areas of South Yard for an MIPC site.
This option was rejected as it would not therefore deliver the benefits predicted as part of the Plymouth and South West Pensions City Deal in terms of regenerating under-utilised land in South Yard to deliver permanent new jobs, significant marine employment space and leveraging in significant private sector investment.
2. Delay the timing of land transfer pending resolution of all outstanding information and unknowns.
The option was rejected as failure to progress and secure a land transfer agreement by the end of March 2015 would jeopardise the £8.0m of grant funding offered by the Department for Communities and Local Government (DCLG) and potentially other funding agreed as part of City Deal.

Published work / information:

Plymouth and South West Pensions City Deal Agreement signed 31st January 2015

http://www.plymouth.gov.uk/plymouth_city_deal_implementation_plans.pdf

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
South Yard Stage 1 feasibility Report dated August 2014 (draft)		Yes			Yes				
South Yard Stage 2 feasibility Report dated October 2014 (draft)		Yes			Yes				
South Yard final master-plan cost appraisals		Yes			Yes				
Heads of Terms for land transfer between Secretary of State for Defence and Plymouth City Council		Yes			Yes				
New Growth Deal 2 bid for direct development on Area 1 East		Yes			Yes				
Business Case financial model and capital expenditure profiles for South Yard MIPC site		Yes			Yes				
Equality Impact Assessment (attached)	Yes								

Sign off:

Fin	djn14 15.2 2	Leg	ALT 21826	Mon Off	RSN No. 2188 5/DV S	HR	N/A	Assets	JW 004 0 04/1 2/14	IT	N/A	Strat Proc	N/A
Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the content of the report? Yes													

Background Report

1. Introduction

- 1.1. This report summarises the results of feasibility and site investigations, master-planning and land transfer negotiations with MoD to transfer approximately 7.46 Hectares (18.4 acres) of HM Naval Base South Yard to Plymouth City Council for redevelopment as a Marine Industries Production Campus (MIPC) in line with the Plymouth and South West Peninsula City Deal Agreement.
- 1.2. This report seeks approval to proceed with the finalisation of legal documentation to transfer areas of South Yard from MoD to Plymouth City Council as part of the City Deal.
- 1.3. The City Deal Agreement and its objectives are summarised in Section 2 along with the South Yard feasibility and market analysis work undertaken to date which is outlined in Section 3. This background agreement, feasibility and investigation work has been used to inform a high-level vision for the South Yard MIPC site which is presented within Section 4 together with a development master-plan which has been submitted for outline planning approval and which estimates the future employment benefits.
- 1.4. A programme of enabling and site preparation works together with an envisaged future development sequence is set out in Section 4 along with indicative costs, risks, benefits, and opportunities. The site enabling and future development works programme has been aligned to the proposed land transfer agreement and land transfer phasing provisionally agreed between MOD and the Council which is set out within Section 5.
- 1.5. Along with proposed vision, master-planning and outline development programme for the transferred South Yard site, this report also presents an opportunity and proposals to immediately progress some direct development at the site to secure early benefits and generate initial interest in the new MIPC South Yard site.

2. Background

City Deal - South Yard MIPC and land transfer

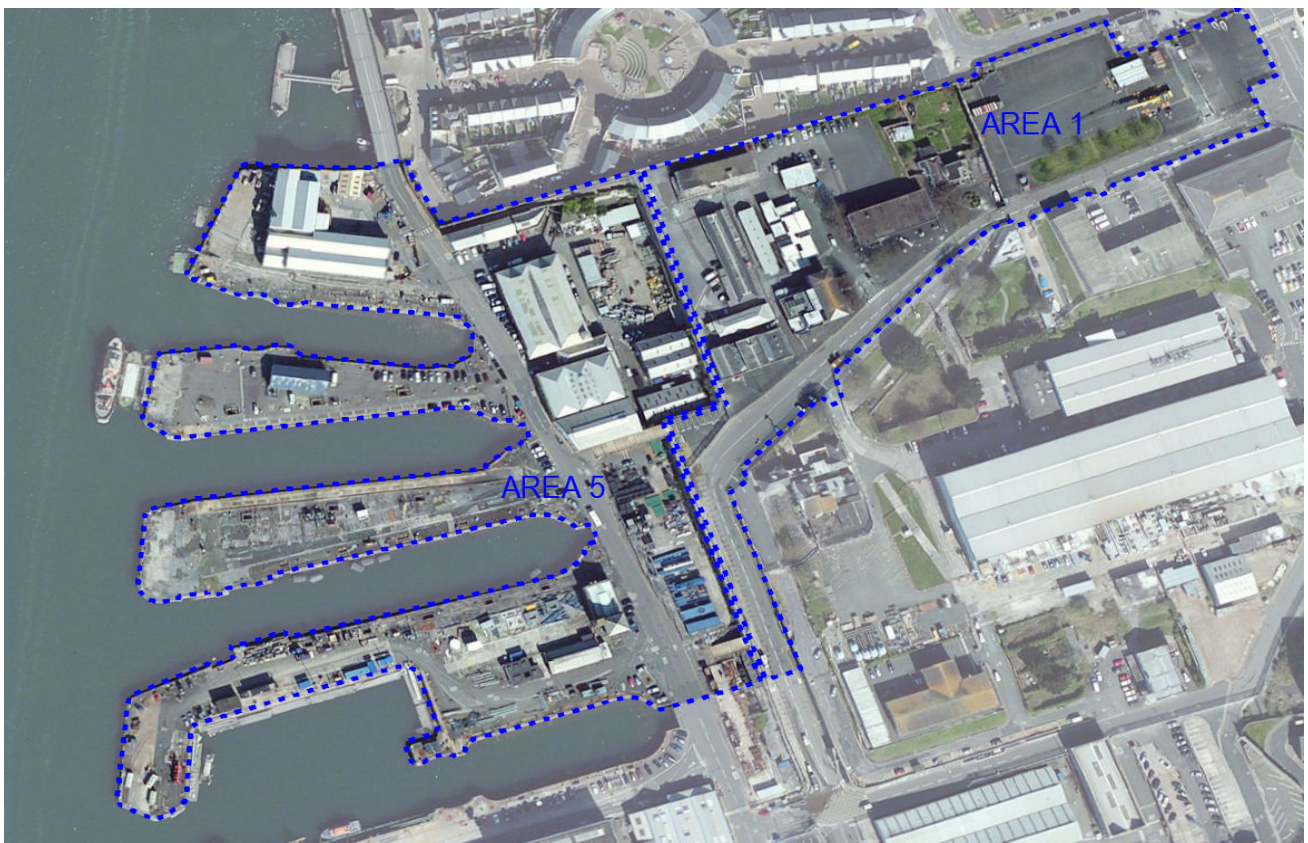
- 2.1. City Deals are a Government initiative announced in 2011 to promote economic growth by transferring certain powers from government to cities. Under these agreements cities are able to take responsibility for and make decisions on how public money should be used to promote business and economic growth within their local area.
- 2.2. The Plymouth and SW Peninsula City Deal is part of a second wave of City Deals and its flagship proposal is to transfer under-utilised land and buildings at the South Yard site in Devonport Naval Base from MOD control to Plymouth City Council for future development as a Marine Industries Production Campus (MIPC).
- 2.3. Unlocking this critical South Yard site will complement the region's key strength in the marine and advanced manufacturing sectors to provide employment space for marine sector companies and access to deep water, thereby enabling marine research and development and commercialisation activities to be undertaken. The South Yard site could also contribute to the South West region's Marine Energy Park concept to help support the wider marine renewable energy sector and hence contribute to the wider economic benefit of Plymouth and the SW region.
- 2.4. The City Deal South Yard proposal when agreed in January 2014 specifically targeted the creation of an estimated 1,184 new jobs, 32,400m² of new marine workspace and ultimately £59m of private sector investment from the initial part of South Yard to be transferred by a land transfer agreement which is targeted to be signed by March 2015.

- 2.5. The Council along with its City Deal partners signed the City Deal Agreement on the 31 January 2014. The Council recognised that the creation of a marine industries production campus in the City fully aligns to several of the Council's core objectives:
- a. Growing Plymouth – South Yard will create new jobs for the City, many of which will be highly skilled in specialist marine sectors. In addition the MIPC will facilitate economic investment and growth opportunities by attracting local, national and international marine related companies and organisations to the area. It is intended that these future job opportunities, as far as possible, would be marketed and promoted to local people with a commitment to a range of apprenticeships and skills development initiatives.
 - b. Confident Plymouth – South Yard is a spectacular historic maritime site which, following its transfer from MoD to Plymouth City Council, will ultimately become a key specialist marine employment and production campus for the City and will further enhance the City's reputation as a world class centre for marine research, development, design innovation and engineering.
- 2.6. As part of the City Deal Agreement, a Programme Board consisting of the Council, the Navy, MoD, English Heritage, Environment Agency, Defence Infrastructure Organisation and the Homes & Community Agency as key stakeholders was convened to progress the investigation, feasibility, master-planning and transfer of parts of South Yard to Plymouth City Council. The results of this work to date are set out in the following sections.

3. Feasibility Study

- 3.1. For the purposes of the Plymouth City Deal, South Yard, has been divided into 5 planning areas which are shown in figure A1 in Appendix A. Areas 2, 3 and 4 are to be retained by the MoD at least in the short to medium term with Areas 1 and 5 having been identified for release from MoD control as part of this City Deal transfer. Areas 1 and 5 are shown in figure 1 below:

Figure 1: Areas 1 and 5 of South Yard proposed to transferred to Plymouth City Council



- 3.2. The Council procured the services of a multi-disciplinary consultancy team in June 2014 led by URS Consultancy Ltd to assess the feasibility of releasing part of the South Yard site together with assessing its historic merits, determining market interest, developing a preferred master plan and gaining outline planning approval for the MIPC project. It should be highlighted that this feasibility work and its resultant cost estimates and appraisals are high-level and further work will be necessary to determine the detailed works to be undertaken and more accurate cost estimates.
 - 3.3. Between June and November 2014, a range of site investigations and surveys were undertaken to inform the feasibility of transferring the Areas 1 and 5 and various lay-outs and master-planning options were considered by the South Yard Programme Board. A short-list of preferred master-plan options was tabled for public consultation in October 2014 and a final preferred master-plan proposal was accepted in November 2014 and was submitted for outline planning consent.
 - 3.4. It should be recognised that the master-plan proposals submitted for outline planning consent are primarily high-level indicative plans in order to gain approval for the infrastructure changes necessary to separate the MIPC site from the Naval Base and establish the key principles of development and land-use. These plans also provide a basis for the MoD and the Council to understand the implications, opportunities, impacts and costs of any future development and detail how the site can be separated from MoD control whilst maintaining operational integrity and the required level of security.
 - 3.5. Alongside the feasibility study and master-planning work, the Council, URS consultancy team and RegenSW have been engaging with the marine sector and related companies to gauge market-interest and feedback. This information has been used to inform the Council's vision, master-plan and envisaged site development works programme for the site and is set out in Section 4.
 - 3.6. As part of a Marine Sector Demand study, Regen SW have analysed trends in the wider marine sector to draw out the city's comparative strength and areas of greatest growth potential. This intelligence will be used to inform a proactive, targeted marketing campaign to ensure there is a pipeline of marine businesses to take up space at the MIPC (see 4.13 - 4.17).
- 4. South Yard MIPC – Vision, Master-plan, Programme and Marketing to Investors**
- 4.1 City Deal seeks the creation of a south-west peninsula wide Marine Industries Production Campus to coordinate and improve the area's potential for research and development and commercialisation activities in the marine sector. Work is ongoing to understand the current strengths and weakness of existing marines sites across Cornwall, Devon and Somerset and to identify gaps and opportunities for the future. Other marine sites being considered include sites at Falmouth, Appledore, Ilfracombe, Yelland, Brixham, Totnes, Bridgewater Bay and in West Somerset.
 - 4.2 South Yard is seen as a critical site in providing new employment space for marine sector companies and access to deep water. These key factors together with its central location in the region and proximity to already established marine companies such as Babcock Marine Ltd and Princess Yachts Ltd in Plymouth provide a significant new opportunity for new marine development and employment which could in turn support the wider regional marine sites and economy.
 - 4.3 South Yard's historic context and background has been fully assessed and is intended to be recognised, enhanced and preserved, not least through the retention and potential conversion of many listed buildings and features which will ultimately form part of the new campus.

Marine Industries Production Campus (MIPC) Vision and Master-plan

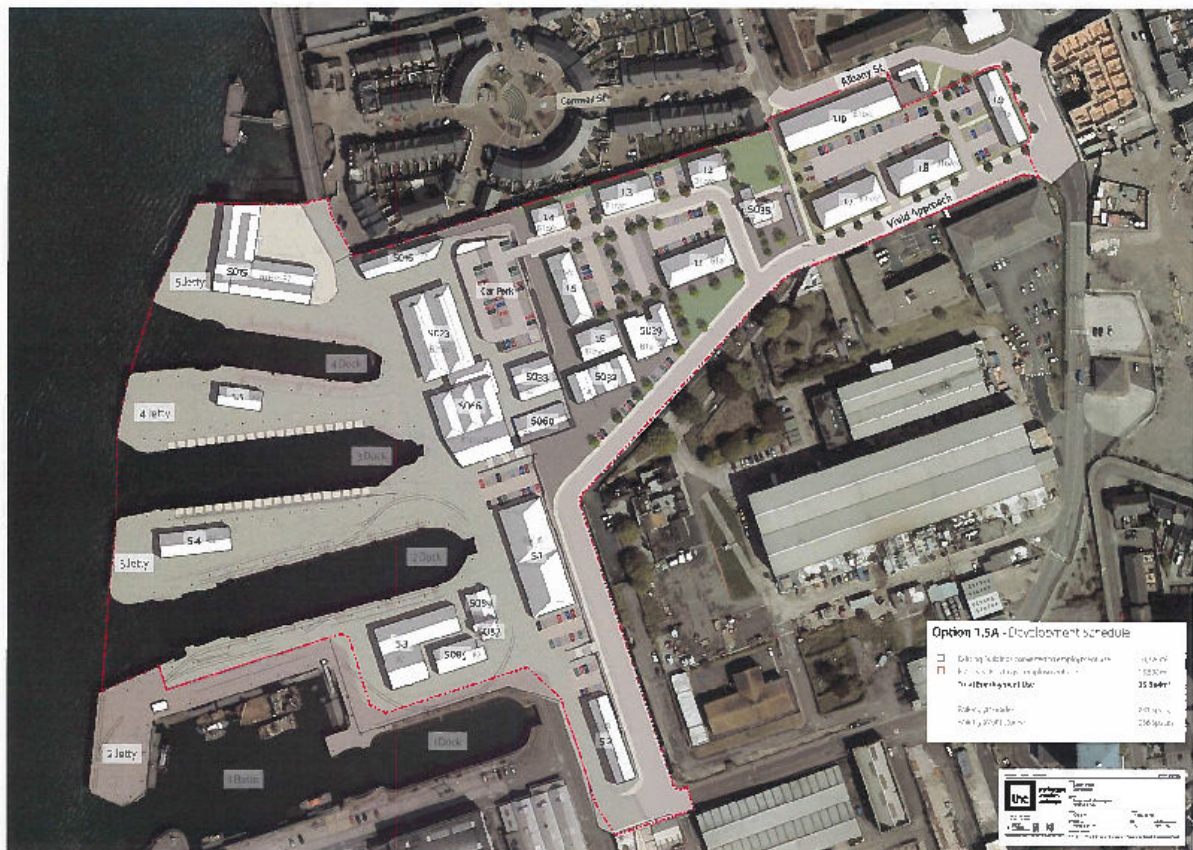
4.4 To inform the high-level development vision for the South Yard site being considered for transfer, a Marine Demand Study has been commissioned by the Council via RegenSW and although this work has yet to conclude it has provided very useful information and feedback as to what might work best on the site. This work has complemented the market demand and market interest feedback gained by the Council and the URS consultant team and has resulted in a vision that proposes graduated marine related activities across different areas of the site from largely office related activities to the east through to marine industry/manufacturing activities to the west.

South Yard MIPC Master-plan

4.5 The resultant master-plan shown in figure 2 below (repeated in larger scale as plan A2 in Appendix A) is based on the above vision which could accommodate the following activities:

- Marine and water technology activities called Blue Tech (eastern area of Area 1) – office, meeting and marketing space for potential professional marine consultancy, ICT and design services
- Campus (western area of Area 1) – hybrid office/workshop units with potential design suites, laboratories for technology and prototype production, and marine technology development
- Production (eastern hinterland of Area 5) – potentially marine workshops, product and component manufacturing and hi-tech engineering
- Marine Industries – engineering and manufacturing workshops, and waterside/dry dock activities including vessel fabrication, repair and assembly.

Figure 2 proposed master-plan layout for transferred areas of South Yard



- 4.6 This master-plan has been designed to retain future development flexibility on the site depending on what the Council requires and the private sector market proposes. Recognising the historic nature of the South Yard site, the proposal retains 12 existing buildings most of which are either listed or have historic value. These existing buildings together with other historic assets such as the listed docks and walls will be retained, upgraded and adapted for future reuse.
- 4.7 In addition the master-plan details the demolition of a number of existing buildings on the site which are considered unsuitable for future use in the MIPC and proposes the construction of 15 new buildings many of which are hybrid buildings with workshops at ground level and upper floors capable of being tailored to other uses such as office, research, design etc.
- 4.8 The plan will form the basis of the Outline Planning Application which will secure a change of use and will act as a consent against which future specific detailed developments on the site will be considered. This proposal retains 12 existing buildings on the site which will provide over 10,000m² of existing building floor space for employment use and proposes 15 new buildings generating over 15,000m² of floor space.
- 4.9 Based on recognised industry standards for proposed usage types, the proposed master-plan development is projected to generate employment for over 1,200 employees, many of whom would be specialist and highly skilled jobs (see plan A3 at Appendix A). To accommodate the employment numbers with the development layout shown around 500 new parking spaces would be required, some of which could be accommodated in a public or potentially private sector funded multi-storey car-park designed to serve Area 5 at its base level and Area 1 at its top level.

South Yard MIPC high-level works and development programme

- 4.10 Extensive works will be required to establish a new Marine Industries Production Campus in South Yard and work will need to be phased and progressed over a number of years. Some of the work will be undertaken by the MoD which are linked to separating and safeguarding their operations, some by the Council as part of the preparing the site and some by private sector developers tailoring new developments to suit their specific needs.
- 4.11 The City Deal funding is not intended to deliver the master-plan in full and hence with the funding currently available the Council will concentrate on servicing, preparing and upgrading the site ready for development. Notwithstanding this, the Council does have an ambition to progress some direct development on the site as soon as possible (see section 7) although the rate, extent and exact areas of development will vary depending on the availability of funding, market interest and upon the specific requirements and needs of businesses seeking to occupy the MIPC site.
- 4.12 The works intended for the site have been simplistically divided into the following categories:
- a) **Separation Works – Access and Security Works** – including works to separate the South Yard MIPC site from the Naval Base in terms of security and access routes to MoD retained areas
 - b) **Site Preparation Works** – including works to: remove surplus MoD services and divert and revise MoD services; provide new services to the MIPC site; demolish unwanted buildings; refurbish/repair retained buildings and structures to an acceptable standard; form primary access routes and undertake localised site remediation as required.
 - c) **New Build and Fit Out of New Development** – including works to: construct new employment buildings and spaces; fitting out existing retained buildings; formation of secondary and tertiary access routes; provision of car-parking and provision of hard and soft landscaping.

- 4.13 Subject to achieving the agreed dates for the phased hand-over of the South Yard site (see Section 5 HoTs) and assuming a degree of latitude for the Council to undertake works under licence in advance of the formal land transfer, a high-level site development programme with a broad indication of capital works over the next 5 years is set out in Table 1 below.

Table 1 - high-level site capital works development programme

Year (land transfer from MoD)	Access and Security Works	Site Preparation Works	New Build and Fit Out
2014/15 Currently funded		Area 1 East: relocation, diversion and capping of MoD services	
2015/16 (Area 1 East – April 2015) Currently funded	Area 1 East: amended fence lines Area 1 West: amended fence lines	Area 1 East: relocation, diversion and capping of remaining MoD services Area 1 West: relocation, diversion and capping of MoD services Area 1: new primary services, primary road modifications, remediation and demolitions Area 5: relocation, diversion and capping of MoD services	Area 1 East: potential direct development of offices and units
2016/17 (Area 1 West – April 2016) Currently funded	Area 5: new security fence and road to 2 Jetty, revised and new security gates, road markings	Area 1 West: relocation, diversion and capping of remaining MoD services Area 1: new primary services, primary road modifications, remediation, urgent building and infrastructure repairs, remaining demolitions, building refurbish/repair works Area 5: relocation, diversion and capping of MoD services Area 5: new primary services, primary road modifications, remediation and demolitions	Area 1 East: potential direct development of offices and units Area 1: New builds and fit-outs subject to private sector interest and/or additional grant funding
2017/18 (Area 5 – April 2017) Currently funded		Area 1: infrastructure repairs, building refurbish/repair works Area 5: relocation, diversion and capping of remaining MoD services Area 5: new primary services, primary road modifications, remediation, urgent building and infrastructure repairs, remaining demolitions, urgent repairs to walls, docks and jetties	Area 1: landscaping, secondary access routes and servicing as development requires Area 1 West: direct development if additional grant funding sourced Other new builds and fit-outs subject to private sector interest and/or additional grant funding
2018/19 Currently unfunded		Area 1: infrastructure repairs, building refurbish/repair works Area 5: remediation, building refurbish/repair works, repairs to walls, docks and jetties	Area 1 and 5: hard and soft landscaping, car-parking, secondary access routes and servicing as development requires Area 1 West: direct development if additional grant funding sourced Other new builds and fit-outs subject to private sector interest and/or additional grant funding

Year (land transfer from MoD)	Access and Security Works	Site Preparation Works	New Build and Fit Out
2019/20 Currently unfunded		Area 5: remediation, building refurbish/repair works, repairs to walls, docks and jetties	Area 1 and 5: landscaping, secondary access routes, multi-storey car-park as development requires Further new builds and fit-outs subject to private sector interest and/or additional grant funding

Marketing the MIPC to investors

- 4.14 The new MIPC at South Yard presents a significant opportunity to address the city's low productivity, by stimulating high-value job creation in one of the city's strongest sectors. Analysis by Regen SW has demonstrated areas within the broader marine sector where the city has clear capabilities and growth potential¹ - this intelligence will inform a targeted approach to marketing the MIPC for new business growth and investment.
- 4.15 Regen SW analysis suggests that successful industry clusters are based on a combination of indigenous strengths and new inward investment. Enquiry management work by Alder King has already identified a strong pipeline of existing city businesses looking to potentially expand into the MIPC; this demand will be consolidated through more proactive efforts to secure new investment from further afield.
- 4.16 Case study analysis has shown that businesses are drawn to 'ready-made assets', like minded companies and intellectual capital. Therefore the effective packaging and promotion of Plymouth's key assets will form a key part of the MIPC investment strategy. Marketing collateral including a high-level 'sales' brochure and website is in development and will be promoted through local (eg *investinplymouth*), regional (eg LEP) and national (eg UKTI – Regeneration Investment Organisation) channels. Furthermore, the MIPC/South Yard offer will be showcased at a series of industry-specific trade shows (All Energy Conference in Glasgow in May 2015, for example) to maximise interest.
- 4.17 The MIPC investment strategy will be necessarily collaborative, drawing on the strengths and knowledge of local partners to effectively account manage a MIPC business pipeline. A virtual inward investment group (including key players like Plymouth University, Plymouth Marine Laboratories, Marine Biological Association, PCC and the Heart of the SW LEP) has been created and will prioritise the South Yard opportunity. In addition, City Deal funding will be used to procure specialist sector support to help hone the sector proposition, drive forward new investment opportunities, and develop the necessary connections with business to stimulate and nurture demand. City Deal 'soft landing' financial support is also available to incentivise the development.
- 4.18 Given the phasing of development described above, the initial focus will be in securing interest in Area 1 East, the so-called 'Blue Tech'² offer, which will provide high quality office space and test facilities suitable for knowledge based business growth.

¹ Sub-sectors include autonomous vehicles, marine ICT, green shipping, marine science applications, decommissioning, composites and environmental instrumentation

² Blue tech – includes the following naval architects, marine consultants/consultant engineers, marine commercial/professional services and ICT/Marine technology

5. Land Transfer Agreement

- 5.1 Heads of Terms (HoTs) for an agreement to transfer South Yard land Areas 1 and 5 have been concluded between the Secretary of State for Defence and Plymouth City Council. These HoTs are commercially confidential but include the following high-level terms and conditions:
- a) A set of legally binding agreements will be completed by 31 March 2015 which will transfer the South Yard land areas in 3 phases conditional on providing continuity of operational service provision and maintaining security for the MOD retained estate;
 - b) The timing of land transfers are provisionally targeting Area 1 East in March 2015, Area 1 West by April 2016 and Area 5 by April 2017;
 - c) The transfers will be for freehold of Area 1 East and a long leasehold (299 years) of the remaining site areas;
 - d) Designated employment uses will be permitted on all 3 transferred sites;
 - e) Leases, licences and rights of parties will be established whilst separation works are ongoing;
 - f) Terms for reimbursement of MoD separation costs and any existing land value;
 - g) Terms for the sharing of any development profits above a target level that covers the Council's costs of developing the project;
 - h) New MoD security requirements and apportionment of associated capital and revenue costs;
 - i) Conditions, constraints and protocols attached to developing the site in the future recognising the MoD's Warships in Harbour requirement to safeguard site occupants from berthed warships carrying armaments;
 - j) A commitment for the Naval Heritage Collection to remain in the South Yard site until an alternative arrangement is agreed between MoD and Plymouth City Council;
 - k) The MoD has provided land quality assessments based on previous surveys but the MoD will not retain any liability for land contamination on the transferred site hence the Council will need to manage any site contamination that is found.
- 5.2 Although these HoTs are not legally binding at this stage it is intended that parties will develop these HoTs into detailed legal documentation for completion before the end of March 2015 in line with the target date set out within the City Deal Agreement.

6. Costs, Funding, Risks and Liabilities

Summary of MPIC cost appraisals and analysis

- 6.1 Based on cost appraisal analysis using the information set out over the following pages, a further £28m of public sector capital grant money is needed, in addition to that already identified, to fund the necessary site separation, site preparation, direct development and public works. Without such additional public grant funding, the private sector will have to fund more aspects of the development but this will reduce the income available to the Council who will retain a revenue cost implication to run the site. Furthermore the MIPC site may not be in a position to be completed by private sector development which in itself may require some form of grant funding or incentive.

- 6.2 In terms of revenue funding, there are many areas of ongoing revenue cost that need to be recognised from the point of land transfer such as site management, MOD and site security, insurance, empty building business rates, loan repayments etc. These revenue costs will initially have to be fully met by Plymouth City Council although this revenue demand will be reduced through demolition of unwanted buildings and the balance offset by rents, land premiums, service charges and business rates received from organisations moving into the MIPC site.
- 6.3 To obtain the required level of revenue income to offset ongoing site running costs, it has been assumed that the majority of new-build development in Area I will be undertaken by the Council, some of which (Area I West) will require additional and as yet unidentified grant funding. It is estimated that without additional capital grant funding the site will not reach payback and revenue expenditure will always exceed revenue income.
- 6.4 Assuming £28m of additional capital grants is forthcoming then the payback period for investment becomes between 25 and 30 years which is realistic for a long-term development of this scale. A sensitivity analysis has been undertaken (see section 6.16 and Appendix D) which shows how changes in assumptions affect this pay-back and the revenue position for the Council. Once full developed, it is estimated that the gross value added (GVA) to the economy from the site will be £136.7m per annum.
- 6.5 The following sub-sections set out the Council’s commercial strategy for the next five years along with estimated revenue and capital spend costs associated with taking and developing the MIPC site and the available funding streams that will fund this work.

Outline Commercial Strategy for the MIPC site development

- 6.6 The high-level commercial strategy being proposed by the Council to take the site forward over the first 5 years is set out in Table 2 below:

Table 2: Commercial strategy to be adopted over first 5 years

Development Years	High-level description of Council activities	Funded by
Years 0 to 2	Separate South Yard MIPC site from the Naval Base, provision of new services, demolition of unwanted buildings to reduce rates liabilities	City Deal grants, loans and Council investment but minimal or no rental income
Years 1 to 4	Refurbish/repair retained buildings and structures to an acceptable standard for letting, undertake around 3,000m ² Direct Development on Area I East (see section 7), market site to increase letting income to support borrowing and site revenue costs.	City Deal grants, land and property disposals, loans and Council investment with increased rental income to help offset site running costs and loan repayments.
Years 2 to 5	Market site to allow private sector to construct new employment buildings and spaces to, increase letting income to support borrowing and site revenue costs. Seek additional grant funding to progress around 4,000m ² of Direct Development on Area I West and site regeneration	Secure increased rental income to further offset site running costs and loan repayments. Land and property disposals. Additional grant funding needed to continue to separate and develop site

Estimated Capital costs

- 6.7 Estimates of the capital investment needed to deliver the envisaged South Yard MIPC master plan (including private sector investment) has been prepared against each of three broad categories or stages of work. The first two categories of works ie Site Separation and Preparation will need public sector funding to make the site viable with the latter category (New Build and Fitting Out) primarily funded by the private sector. High-level capital cost estimates needed to deliver the master-plan are shown in Table 3 below at 2014 prices noting that these costs will be subject to inflation and exclude other unavoidable costs such as design, fees and project management.

Table 3: Capital Cost Estimate to Deliver MIPC Master-plan at 2014 prices

Category of Cost	Activity or Location	Order of Cost (to nearest £0.5m)	High-level description of cost
Separation Costs	(a) Security and Access related (b) Servicing Related	(a) £0.5m (b) £2m	Includes works to separate the South Yard MIPC site from the Naval Base in terms of security and access routes and removing surplus MoD services and diverting/revising MoD services to MoD retained areas
Site Preparation Costs	(a) Area 1 (b) Area 5	(a) £4m (b) £13m	Includes works: to provide new services to the MIPC site; demolish unwanted buildings; refurbish/repair retained buildings and structures to an acceptable standard; create serviced sites for disposal and development; form primary access routes; and undertake localised site remediation.
New Build & Fitting Out of New Development	(a) Area 1 East (b) Area 1 West (c) Area 5	(a) £7.5m (b) £9.5m (c) £17.5m	Include works to: construct new employment buildings and spaces; fitting out existing retained buildings; formation of secondary and tertiary access routes; provision of car-parking; and provision of hard and soft landscaping.
Total Estimated Cost (at 2014 prices)		£54m	Current project cost analysis assumes that the Council, via public sector funding, will pay approx 2/3's of this total cost but that this will amount to £48m once inflation and other excluded costs are added. Analysis assumes the other 1/3 of this cost (primarily development in Area 5) will be private sector funded although this ratio could change.
The above costs include a 10% contingency but excludes the following aspects at this stage: design, project management and professional fees; adoption Costs; VAT; works phasing; ground conditions/contamination; special planning conditions; Section 106 contributions; Section 278 works and other works beyond site boundary; asbestos removal associated with demolitions; surveys and remediation measures associated with radiation contamination; pumping foul drainage off site; fibre optic service diversions; specific impact of Heritage Reports; general CCTV Installations; provision of pontoons caisson gates to docks and associated pumping equipment; piling to new buildings; fitting out building SO35 if used as a café; MOD costs associated with relocation, decanting; IT Hub relocation.			

6.8 To commence the development of the South Yard MIPC site, various funding arrangements have been agreed as part of the City Deal agreement including investment from the Council's Investment Fund. These funds will contribute to the transfer, separation and preparation of the MIPC site although it must be recognised that additional grant funding will need to be sought and required to fully complete the site preparation works alongside any private sector investment. The funding sources currently identified and agreed are summarised in table 4 below together with outline terms and conditions where known. This table also includes an additional funding bid from New Growth Deal 2 which is intended to be used for the delivery of the direct development proposal set out at Section 7:

Table 4 – Available, agreed and bid funding sources for South yard MIPC development

Funding Source	Amount	Status	Terms and Conditions
Plymouth City Council	£5m	Capital - approved	
Department for Government and Local Communities (DCLG)	£4m (2015/16) £4m (2016/17)	Agreed as part of City Deal Agreement. To be a Section 31 capital grant	Subject to progress of City Deal South Yard land transfer agreement. Released in 2 tranches but not time limited
LEP (Growing Places funding)	£5m	Agreed as part of City Deal Agreement	Business case required for release as £3m capital loan and £2m grant – terms of repayment to be negotiated
Ministry of Defence (MoD)	Up to £1m	Agreed as part of City Deal Agreement.	Capital loan towards MoD separation and enclaving. Areas of spend agreed and repayable within 10 years
LEP (New Growth Deal 2)	Up to £1.5m	Capital grant bid submitted (Nov 2014) for direct development at Area I East	Currently a funding bid hence money not assured and terms as yet unknown
Total money available	£19m + £1.5m bid		

6.9 Recognising the City Deal funding currently available from table 4 above, the areas and timing of expenditure on developing the South Yard Site have been prioritised over the next five years based on the information currently available. This is summarised in Table 5 below together with what can be funded by the City Deal money available. Whilst costs for separation of the site can be readily projected over the medium term, it is recognised that the actual building development and fit out will also be market led and so it is only possible at this stage to profile the initial direct development at Area I East (see section 7) with any accuracy albeit further direct development is needed and will be targeted for Area I West. The spend profile in Table 5 is based on the master-plan order of cost estimates which have a range of unknowns and hence this spend profile will be subject to change over time. This spend profile will also change as additional grant money becomes available and/or if specific private sector development and leases are confirmed. Table 5 summary is shown below:

Table 5 – Summary table of capital expenditure on the South Yard MIPC site for next 5 years and thereafter with assumed construction inflation at 4% per annum.

Works	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	Future years £,000	Total £,000
City Deal management, feasibility and fees	£786	£179	£184	£188	£193	£0	£1,531
Site Access and Security	£0	£123	£445	£0	£0	£0	£568
Site Preparation	£125	£1,459	£4,511	£5,469	£2,388	£9,495	£23,447
Direct Development proposal on Area I East	£0	£1,553	£4,012	£0	£0	£0	£5,564
Other publicly funded works eg landscaping, carpark	£0	£0	£359	£405	£907	£6,793	£8,464
Total estimated capital expenditure of works above	£911	£3,314	£9,510	£6,063	£3,488	£16,288	£39,574
Funded by available City Deal monies (assuming New Growth Deal grant received)	Yes – all above	Yes – all above	Yes – all above	Yes – all above	Only £700k of above	No	
Additional capital grant required to deliver more Area I West direct development				£4,004	£4,480		£8,484

- 6.10 As can be seen from the figures in Table 5 above, the circa £20m funding currently available to the City Deal project can only fund the profiled expenditure until 2017/18 and is therefore considerably short of overall amount required to deliver the totality of the site separation, preparation, Area I East direct development and public works required on the site.
- 6.11 The last line of table 5 shows that the Council will also seek to deliver further direct development in Area I West by 2019/20 which is at present unfunded and would require further capital grant funding of around £8.5m. This additional direct development is needed to provide sufficient revenue income to offset revenue costs associated with running the site without which the Council will suffer an ongoing net revenue pressure or will have to reduce its liabilities and expenditure by such means as slowing down the development of the MIPC site and/or moth-balling development areas for a period of time. Therefore, in order to deliver the South Yard MIPC master-plan publicly funded separation and preparation works and the direct developments as proposed, a further £28m of additional grant funding will be required.

Estimated Revenue costs

- 6.12 The South Yard site once transferred from the MOD will also have revenue implications in terms of both income and expenditure. Upon transfer, it is estimated that there will initially be revenue cost liabilities (table 6) for the Council from various directions. These revenue costs will be minimised through various means such as demolitions and/or netted off by income set (table 7). Based on a range of assumptions, it is estimated that there will be a revenue impact on the Council which will need to be accounted for between 2015/16 and 2018/19 following which income will then exceed expenditure. Table 6 below sets out estimated estate management revenue costs for the next 5 year period. These costs, in particular those for security, are currently being reviewed and it is hoped that these can be reduced.

Table 6 – Summary table of estimated revenue costs for South Yard MIPC site over the next 5 years

Cost areas	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Management cost ^{Note 1}	0	57	59	62	65
Site running costs ^{Note 2}	25	36	190	199	208
Empty Business rates ^{Note 3}	0	17	169	136	167
Building Insurance ^{Note 4}	1	10	11	11	11
MOD Security costs ^{Note 5}	0	0	506	519	532
PCC Security ^{Note 6}	0	32	108	110	113
Total Revenue Expenditure (26	152	1,043	1,037	1,096

Notes

1. Management cost allows – one Grade J Principal Surveyor for general estate management of the site from 2016 including dealing with the lettings of the direct development buildings and refurbished existing buildings.
2. The site running costs allow for the planned and un-planned maintenance of the retained buildings and common areas including access roads and sea walls, grounds maintenance, utility costs and pest control etc.
3. Empty business rates are an estimate of the Council NNDR liability on retained vacant buildings and new buildings being let which will reduce in line with projected lettings from 2017/18. It should be noted that it has been assumed that non-retained buildings will be demolished immediately prior to transfer to avoid empty rates liability; in the event that demolition is delayed additional provision will need to be made for additional empty rates liability.
4. Building insurance costs have been estimated based on assumed vacant buildings otherwise costs will be paid by tenants.
5. The MOD security costs are to provide security to Jubilee Gate and a new gate to Morice Yard as per the transfer heads of terms as part of the MOD operational requirement. The existing gate will need to be increased to twenty four hour cover. The new gate will be required to provide twenty four hour cover. These costs are under review.
6. The PCC security costs are to provide civilian security cover to the docks area within Area 5. The extent and form of this cover is yet to be decided.

- 6.13 As development progresses on the site, income will increase to help offset ongoing revenue expenditure although the exact timing of this will depend on how quickly development takes place on the site. Table 7 below shows potential rental income for South Yard over the first 5 year period. The figures for Area 1 East relate to the direct development scheme to create new offices and hybrid units although the income from this scheme will be used to fund the cost of the Growing Places loan promised as part of the City Deal funding agreement (as shown in Table 4).

Table 7: Summary Table of Estimated Income for South Yard MIPC over the next 5 years

Income Stream	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Rental Income from Leasing ^{Note 1}	0	5	275	438	848
Business rates ^{Note 2}	0	18	154	167	303
Service Charges ^{Note 3}	0	0	19	42	95
Dock/waterfront land rental ^{Note 4}	0	0	0	55	57
Total Revenue Income	0	23	448	703	1,303
Notes					
1. Rental incomes in this period assume existing leased buildings continue, some existing retained buildings are leased and the Council has direct developed all but 2 new buildings in Area 1 which will require additional £9m of grant funding and that direct development has 60% occupancy in its year 1, 80% on its year 2 and 90% thereafter.					
2. This business rate income is based on the development schedule assumed in 1 above with the 50% element retained by the Council and it is assumed this same amount will be returned by the Council to fund the South Yard MIPC project					
3. Service charges are based on 65p per sqft applied to leased buildings					
4. It is assumed that the dockland and jetty area can be used to generate around £1k per week					

6.14 Based on tables 6 and 7 and the range of assumptions this is based on the net revenue position for the Council will be as set out in table 8 for the next five years. This table shows that initially there will be a revenue requirement to support the project but as development progresses across the site, income increases such that a positive net revenue position is attained. This positive net revenue will be used to fund loan interest costs and return the Council's £5m capital investment such that a payback period of around 25 to 30 years is expected.

Table 8: Summary Table of Net Revenue Position for South Yard MIPC over the next 5 years

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Total Revenue Expenditure	26	152	1,043	1,037	1,096
Total Revenue Income	0	(23)	(448)	(703)	(1,303)
Net Revenue Position (assuming no capitalisation)	26	129	595	334	(207)

6.15 It should be highlighted that the positive net revenue position shown in table 8 from 2019/20 onwards is based on a number of significant assumptions including that the Council receives more grant funding to develop the South Yard site and progresses more direct development across Area 1 West. If these assumptions prove incorrect then there will be opportunities for the Council to reduce its liabilities and expenditure by such means as slowing down the development of the MIPC site and/or moth-balling development areas for a period of time such as Area 5 which is the area with the highest revenue demand generated by the MoD security costs and a highest level of currently unfunded site preparation and development works.

- 6.16 A sensitivity analysis has been undertaken which considers variations to some of the key assumptions and how this affects the revenue and payback period. A summary of this sensitivity analysis of key risks is included in Table 9 and the results with risks more fully explained included at Appendix B.

Table 9 – Sensitivity analysis on key risks and their financial implications

Risk No	Description	Values (excluding inflation)
1	Project funding, further grants and capital funding not available	1. Capital costs never recovered – no payback 2. Revenue is wiped out and an annual cost of £225k per annum is required to operate the site
2	Cost of Construction, annual inflation of 6%	1. Capital costs increase by £2m. 2. Payback increases by 5 years
3	Construction delayed by 2 years eg through slow receipt of additional grants and loans	1. Capital costs increase by £3m. 2. Payback increases by 5 years
4	Private development of Area 5 does not happen	1. Revenue reduces £150k per annum. 2. Payback increases by 4 years
5a	Rental income – occupancy reduced to 50%	1. Capital costs never recovered – no payback 2. Revenue is wiped out and an annual cost of £100k per annum is required to operate the site
5b	Rental income – rental values 25% lower than expected	1. Revenue reduces by £250k per annum 2. Payback increases by 26 years.
6	Operating costs underestimated by 25%	1. Revenue reduces by £265k per annum 2. Payback increases by 21 years

Risks, liabilities, unknowns and sensitivity analysis

- 6.17 The scale, complexity and short-timeframes associated with understanding, negotiating and transferring parts of South Yard from the MoD to Plymouth City Council as part of City Deal inevitably leads to number of significant risks, liabilities and unknowns. These issues have to be recognised and accepted by Plymouth City Council at this point in time in order to proceed with the delivery of the MIPC and create the future opportunity. Table 10 below lists the significant risks, liabilities and unknowns identified at this stage and how these are being managed.

Table 10 – Summary table of risks, liabilities and unknowns

Description	Potential impact	Proposed Management
Failure to secure additional public sector capital grants	The Council will not be able to complete the required site separation and preparation works Areas of the site may have to be mothballed The full potential of the MPIC site will not be delivered	Seek additional grant funding to continue with MIPC master plan works which need to be public sector funded Prioritise works to deliver maximum impact and development potential Develop a contingency plan in the event that grants are not available as required

Description	Potential impact	Proposed Management
Cost estimates/allowance prove significantly lower than actually required due to unknowns e.g. site services, works requirements, levels of site contamination and changes to Warships in Harbour regulations	Costs and liabilities increase for Council MIPC delivery slowed Less MIPC works delivered by Council Development sites not progress due to contamination liabilities	Build contingency into estimates Undertake further contamination survey to ascertain status Liaise with MoD re Warship in Harbour regulations Prioritise MIPC works to maximise delivery potential Continually seek additional funding
Market demand and take up of the MIPC site is slower than anticipated or is insufficient	Insufficient revenue income to the Council to fund the running and development of MIPC site Site under-utilised	Develop and deliver an attractive brand and a robust marketing plan for the MIPC site Council to undertake direct development on the site to promote and develop interest Council to develop contingency fund and plan for site Undertake further market and funding due diligence prior to land transfer to ensure that demand position is clearly understood
Onerous constraints/conditions attached to land transfers	Constraints prove unacceptable to the market hence site is not developable or fundable	Understand and minimise constraints, discuss with market sector and funders prior to transfer
Land transfers cannot be achieved to agreed timeframes	Impacts on agreed funding Development is slowed South Yard site transfer jeopardised	Secure certainty of legal land transfer with timing flexibility Ensure funding conditions known and negotiate flexibility

Future governance and site management

- 6.18 At present a South Yard Programme Board (SYPB) has steered the investigation, feasibility, master-planning and transfer of parts of South Yard to Plymouth City Council. This Board consists of the Council, the Navy, MoD, English Heritage, Environment Agency, Defence Infrastructure Organisation and the HCA as key stakeholders and is intended to continue until the land transfer has been completed in 2017.
- 6.19 The first part of the South Yard site will transfer to the Council in April 2015 and hence the Council is now reviewing options for the most appropriate Council governance model for this project and also site management, delivery and staffing arrangement to directly shape, manage and develop the site into the future. A range of potential governance and management delivery vehicles will be investigated during 2015 with a view to being established as soon as practical.

7. Initial Direct Development proposal for Area I East

- 7.1 As set out in section 4 above the current City Deal funding is not intended to deliver substantial development at the site. However it is recognised that in order to generate sufficient income to offset the revenue running costs of the site, it will be necessary for the Council to develop some buildings on the site. In addition to make the campus attractive to marine industry businesses it will be necessary to develop facilities at the outset that promote the campus as a suitable specialist business district.

- 7.2 There are buildings and infrastructure in South Yard that can be readily adapted to the marine sectors, however there are no direct high end facilities that offer clean technologies and client facing facilities that the private sector need to promote and develop their businesses.
- 7.3 The Council has appointed RegenSW to undertake a detailed economic demand study for the global, national and local markets in the marine industries. The findings of this study suggest that the entrance of the campus needs to consist of high end office, meeting and market spaces, along with a number of hybrid office /workshop, designed to accommodate design suites, labs and training rooms for technology development and product prototypes production. These being of a size that allows growing businesses to relocate to the campus because of the synergy the units have to other like businesses, clients and supply chains.
- 7.4 It is proposed therefore to initiate the direct development of Area 1 (east) of South Yard which will be the first development to create the Marine Industries Production Campus and will set the tone for the image and status of the development. The proposals will construct two buildings and car parking and public realm at this stage which would consist of 14,516 Sq ft of light industrial (hybrid) units with flexibility for potential laboratory and testing facilities, and 18,387 sq ft of class A office development. An additional building maybe also be constructed if additional grant funding is available.
- 7.5 The scale of the first development needs to be proportionate to the funding available at the current time and of a size that announces the campus opening without over developing as demand is stimulated. In this way the buildings will form the first catalyst infrastructure with a developed public realm at the entrance to the campus but leave room for future development at the front of the site.
- 7.6 The proposals to initially build two of the possible four buildings on the Area 1 (east) site would create between 149 and 176 direct jobs and in addition to this it is estimated that the build process will support 70 construction jobs and create five construction apprentices.
- 7.7 It is estimated that the proposal will bring in an average of £64k per annum in NNDR retention at 50% which will be used to offset site running costs.
- 7.8 The proposal is to use £1m of grant funding from the Council's Investment funding (a proportion of the £5m already allocated to South Yard) and £1.5m of a New Growth Deal 2 grant, which is being bid for, which together will meet the viability gap of a £5.6m development. The remaining funding can therefore be a £3.1m loan from Growing Places Fund which will be assumed to be repaid through an annual charge over a period of 10 years. This has been modelled as affordable from the rental income of the development over a period of 22 years, meaning that there will be a requirement to refinance the loan from year 10 onwards. The details of the business case will be submitted to the Council's Investment Board and the Leader of the council in a separate report.
- 7.9 The proposed direct development programme will be a two stage design and build procurement in the early part of 2015 with a target to secure full planning by the end July 2015, and be on site for November 2015, with the objective of being operational straight after Christmas 2016. This can be achieved, if agreed, through a batched procurement method with a similar direct development proposal as Plymouth Science Park (business case for the investment in this development was approved by the Council on the 6th November 2014). This is a challenging but realistic programme because the Council can take advantage of procurement undertaken in the early development work for technical advisors and the batching of procurements that would make the development a £12.5m programme which would be considerably more attractive to the construction market at this important stage as the market picks up.

- 7.10 In addition to funding set out above the Council will investigate an application to EDRF for a further £2m grant gap funding or seek more Growing Places Funding from the LEP as a grant, which if successful will allow a further building to be constructed by the same contractor as it will be included in the construction procurement. In this circumstance the grant gap funding may be sufficient to back out the Council's contribution of £1m. There is therefore the opportunity that the Council's £1m investment can be used to underwrite the proposals if EDRF or LEP funding is not available.
- 7.11 Further direct development is also desired to be undertaken by the Council in Area I West although this would not be until 2017/18 and 2018/19. This additional direct development would need to be funded by additional grant money and will be the subject of a further proposal in the future.
- 8. Equality Impact Assessment**
- 8.1 An Equality Impact Assessment has been undertaken and is included at Appendix C.

Appendices – Separately attached

Appendix A – Site plans

Appendix B – Sensitivity Analysis

Appendix C – Equality Impact Assessment

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City Deal South Yard Land Transfer Cabinet Report

Appendices

Appendix A – Site plans

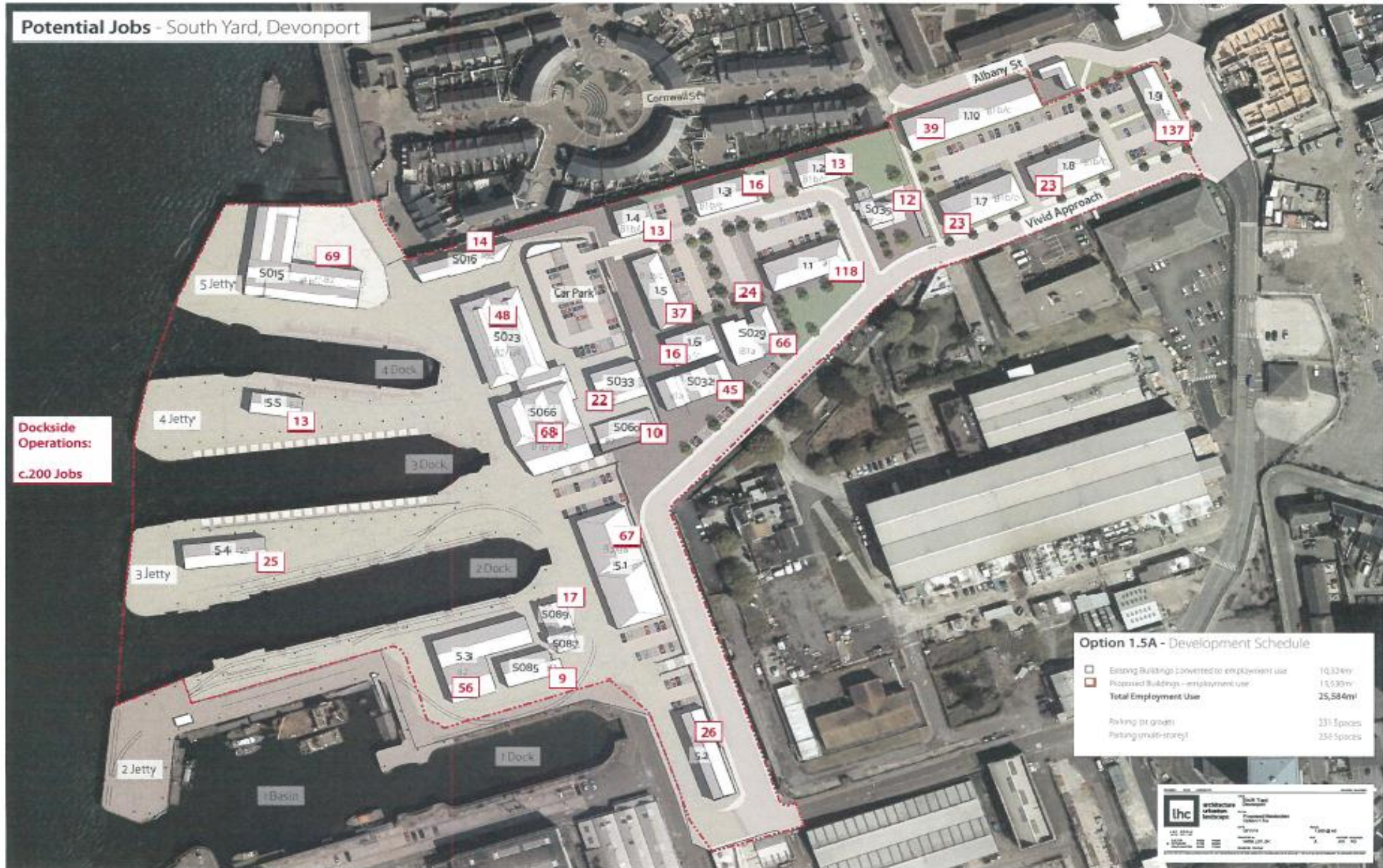
Appendix B – Sensitivity Analysis

Appendix C – Equality Impact Assessment

Figure A2 - proposed master-plan layout for transferred areas of South Yard



Figure A3 – potential employment estimated from proposed master-plan layout for transferred areas of South Yard



Appendix B – Sensitivity Analysis of Risks

City Deal – South Yard

Sensitivity of Assumptions

There are a great deal of assumptions included in the business case to come up with a viable proposition, that will not leave the PCC with a legacy of annual revenue costs and a capital payback of between 20-25 years.

The key risks and their financial implications are:

Risk No	Description	Values (excluding inflation)
1	Project Funding, further grants and capital funding not available	1. Capital costs never recovered 2. Revenue is wiped out and an annual cost of £225k per annum is required to operate the site – no payback
2	Cost of Construction, annual inflation of 6%	1. Capital costs increase by £2m. 2. Payback increases by 5 years
3	Construction delayed by 2 years eg through slow receipt of additional grants and loans	1. Capital costs increase by £3m. 2. Payback increases by 5 years
4	Private development of Area 5 does not happen	1. Lost revenue of £150k per annum. 2. Payback increases by 4 years
5a	Rental income – reduced occupancy to 50%	1. Revenue is wiped out and an annual cost of £100k per annum is required to operate the site – no payback
5b	Rental income – rental values 25% lower than expected	1. Annual income reduced by £250k per annum 2. Payback increases by 26 years.
6	Operating costs underestimated by 25%	1. Annual income reduces by £265k 2. Payback increases by 21 years

I. Project Funding

In addition to the loans, grants and capital injection so far offered (£20m), there are assumptions of further inward investment:

- Additional grant funding of £25m
- Additional PCC capital of £5m

Risk

1. There will be no further grant or other capital funding available. This would mean there is only enough funds available to prepare area I East and West Sites, and Build 3 buildings on Area I East. The PCC would therefore have to seek developers to develop the buildings in Area I West and complete Area I East, instead of the PCC building them (which will generate rental revenue). Without additional funding there will be insufficient funding available to prepare Area 5 for development. If this scenario developed then Area 5 site and plans would need to be mothballed and MoD security gates revised to avoid their ongoing revenue security costs.
2. If grant funding was reduced by £5m and capital funding increased by £5m, then the payback increases to 40 years.

Cost Implication

The capital costs would never pay back, and there will be an annual operational cost of £225k per annum.

2. Cost of construction

The cost of construction is assumed to increase by 4% annually,

Risk

This is below current estimated construction cost indexation which is around 6% but is hoped to be short-term assuming the market reacts quickly to demand.

Cost Implication

At 6% construction inflation, there would be a further £2m of capital required to complete the job, and it would take an additional 5 years for the project to pay back.

3. Speed of Site Development

The costings revenue and capital have assumed MIPC works on the site such as site preparation, demolition, new build and fit-out occur rapidly over the next 2 to 5 years in Area I and by 2022/23 in Area 5 which will therefore generate income via NNDR , service charge and rental for the Council where applicable. If grant funding is received later

Risk

That the speed of development and letting on the site occurs more slowly than anticipated in the model.

Cost Implication

If the project slips by 2 years, the cost of construction increases by £3m and payback increases by 5 years.

4. Area 5 Development

It is assumed that there will be developers interested in investing in the building and adaptation of Area 5, and the one building in Area I East.

Risk

That the cost of construction is too high to make a return on the rental values and the site will not be developed.

Cost Implication

Lost revenue from service charges, NNDR and car parking of £150k per annum. The payback increases by 4 years, but there is still a positive income annually.

5. Rental Income

There are a number of assumptions made around the rental income achievable on the site:

1. The rental income is based on a range of assumptions and estimates including high-level information provided by project consultants on our behalf albeit these estimates were originally intended primarily for cost comparison purposes and not for detailed budget setting
2. That occupancy of the new buildings is 60% in the first year, 80% in the second year and 90% thereafter.

Risk

There is a risk that these rents are not achieved.

Cost Implication

If rental values were to be reduced by 25%, annual income would fall by £250k and the pay back would increase to 56 years.

If occupancy on the site was only 50%, reducing rental income, NNDR and Service charges, annual income would be reduced by 800k. Resulting in a cost to revenue of £177k per annum.

6. Operating Assumptions

Operating costs, are the biggest unknown, with estimates for management costs, site running costs, PCC security and it is assumed building insurance can be passed on to the lessee.

Risk

That operating costs increase significantly above our estimates.

Cost Implication

25% increase in operating costs would reduce annual income by £265k and increase the payback period to 46 years.

7. Other Low level risks

- It is assumed that our loans will have an interest charge of 2%, the loan terms from the MOD are currently unknown. But majority of public sector monies will be grant rather than loans.
- Income from car parking and docks is assumed to be fully utilised once operational.

EQUALITY IMPACT ASSESSMENT

City Deal – South Yard MIPC



PLYMOUTH
CITY COUNCIL

STAGE I: What is being assessed and by whom?

<p>What is being assessed - including a brief description of aims and objectives?</p>	<p>Development of a Marine Industries Production Campus at South Yard currently part of the RN Dockyard in Plymouth. The aim is to redevelop 7.5 ha of land for industrial and commercial activities with a focus on promoting the marine and advanced manufacturing sectors. Once complete the site will create 1200 jobs. The Marine Industries Production Campus is the flagship project in the Plymouth and South West Peninsula City Deal Programme which also includes a Growth Hub to support businesses and a Youth Deal to improve employability and skills of young people.</p> <p>Given the scale of the development at South Yard the completed scheme will be of benefit to the whole of Plymouth and the south west peninsula in terms of jobs created, private sector investment and supply chain opportunities for local businesses. South Yard is situated in the neighbourhood of Devonport to the west of Plymouth City Centre. Therefore, the scheme will be of particular benefit to residents living in Devonport and surrounding neighbourhoods which are closest to South Yard. Unemployment and deprivation levels are higher in this part of the City than Plymouth as a whole.</p> <p>Recent public consultations in Devonport and with businesses identified strong support for the scheme particularly with the prospect of creating 1200 jobs</p>
<p>Responsible Officer</p>	<p>Mark Turner</p>
<p>Department and Service</p>	<p>Place/Economic Development</p>
<p>Date of Assessment</p>	<p>27th November 2014</p>

STAGE 2: Evidence and Impact

Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	<p>Plymouth as a whole has a similar population profile to that of England with exception of the 16-24 year old age group where Plymouth has significantly more than England. This is due in part to the higher student population in the City.</p> <p>The proportion of older people living in Plymouth (45+) is consistent with the national profile. A quarter of the Plymouth population is in the 45-64 age bracket indicating that a lot more people will reach retirement age in the next twenty years.</p> <p>The Devonport population profile is similar to Plymouth particularly in respect to</p>	<p>Plymouth along with the England faces a problem of an aging population with an increasing proportion of the population either retired or close to retirement. Employers will need to be increasingly flexible when recruiting older people</p> <p>It has been recognised that Plymouth struggles to retain graduates. It will be important for Plymouth to retain graduates to ensure local employers have a good supply of skilled people</p> <p>At a local level the demographic profile in Devonport indicates there is likely to be significantly more young</p>	<p>There will be ongoing consultation, monitoring and evaluation as this is a long term project and will be delivered at different stages and therefore will be constantly reviewed.</p> <p>Consultation has been undertaken and already influenced and determined the specific nature of how this programme of work is developed i.e. increase in job opportunities for the local community.</p> <p>As well as overall programme evaluation, the plans relating to each plan within the overall Programme Plan will be monitored and depending upon the nature of each of these plans will be subject to appropriate and specific</p>	<p>Start in next six months as part of planning for first phase of the project</p>

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
	<p>young adults. The latest neighbourhood profile for Devonport (2014) neighbourhood shows there are more young adults (20-29) in Devonport than other adult working age groups. However, it is likely that there will be higher numbers of younger parents in this age group than the City average as there is a higher percentage of young children in Devonport.</p> <p>There are fewer older retired people living in Devonport than the Plymouth profile</p>	adults of working age with young children in Devonport than the wider Plymouth population. This may impact on working age population accessing job opportunities	<p>public consultation.</p> <p>Regular reports outlining the ongoing progress will be presented to the South Yard Project Board and Growth Plymouth Panel.</p> <p>Will follow our corporate recruitment and retention policies and procedures. Where we commission we will ensure that this is built into the contract agreement to ensure there is no discrimination based upon Age.</p> <p>An example of the detail that will reviewed is the provision of childcare opportunities in area.</p>	
Disability	The Devonport Census profile (2011) indicates that there are significantly higher numbers of 16 to 64 year olds 'whose	High levels of sickness and incapacity in the surrounding neighbourhood will impact on ability of local	As above Ensure new buildings in first phase of development are DDA	Built into detailed planning application in next six months

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
	activities are limited a lot' in Devonport (7.9%) compared to Plymouth (4.7%). The Devonport Area Profile indicates that in 2013 there were 20% of adults claiming Incapacity Benefit and Employment Support Allowance compared to the Plymouth average 8.2	residents to access jobs often this will be the result of mental health issues associated with long term unemployment.	compliant and reasonable adjustments will be made as appropriate	
Faith, Religion or Belief	The Devonport Census Profile (2011) indicates that the predominant religion is Christianity (50%). There are traces of other religions most notably Muslim at 1%. This is consistent with the Plymouth profile	None at this stage	As above in Age	N/A
Gender - including marriage, pregnancy and maternity	The Devonport Area Profile (2104) indicates there are slightly more men than women in Devonport 51.6% as opposed to 48.4%. The Plymouth Census Profile	Nationally there are lower numbers of women entering professions in manufacturing and engineering.	As above in Age Ensure recruitment policies particularly apprenticeships encourage women to consider opportunities in manufacturing science	Within the next year working with Plymouth City Council Economic Development team, local training providers and employers.

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
	(2011) is a 50:50 gender split. The Devonport Census Profile (2011) indicates that household characteristics are broadly similar to Plymouth the profile		based roles. The Skills and Employability Strategy commissioned by Plymouth Growth Board has certain actions which will seek to address the gender gap in engineering and manufacturing careers.	
Gender Reassignment	None at this moment	None identified	As above in Age	N/A
Race	The Devonport Census Profile (2011) indicates 94.8% white population compared to 96.1% for Plymouth. Of the 5.2% Black and Minority Ethnic Groups in Devonport Black British is the largest contingent at 1% A proportion of the BAME community will be recent migrants, e.g. EU accession or Refugees.	No significant impact at this stage There is a potential for an emphasis on local recruitment to disadvantage these groups.	As above in Age Ensure that we monitor take up of skills development programmes etc to ensure that recruitment to skills development programmes reflect the make up of the local population.	N/A

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Sexual Orientation -including Civil Partnership	The Devonport Census Profile (2011) indicated there were 4 same sex Civil Partnership Households in Devonport	No significant impact at this stage	As above in Age	N/A

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Reduce the inequality gap, particularly in health between communities.	Significant inequality gaps as evidenced by the Index of Multiple Deprivation (2010) in western parts of Plymouth particularly Devonport and Stonehouse with pockets in the 3% most deprived in the country. As indicated above the health of the local population is significantly worse than Plymouth and national averages *	See above for health inequalities
Good relations between different communities (community cohesion).	No implications at this stage	N/A
Human Rights	Article 14 of Human Rights Act states that - people have the right not to be treated differently because of their race, religion, sex, political views or any other status and therefore the right to receive Equal Treatment and prohibit discrimination including sex, race, religion and economic and social status in	N/A

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
	<p>conjunction with the Equalities Act which includes age and disability.</p> <p>We are committed to ensuring that everyone is treated fairly and human rights will be respected.</p> <p>No adverse impact on human rights has been identified.</p>	

STAGE 4: The Principles of Fairness	
Principles	Comment
People should be able to access opportunity whatever their circumstances	Working with agencies such as Job Centre Plus and local employers to ensure everyone has access to opportunities
The city should give priority to those in greatest need when it allocates resources	High quality jobs created in area of high unemployment and deprivation
Things that make the biggest difference to people's lives should get priority when deciding where resources go	Provision of jobs has been the top priority in successive council surveys on resource allocation
The way things are done in the city matters just as much as what is done	Public consultations and local stakeholder engagement have already taken place on the sorts of jobs and activities that will take place in South Yard. This process will continue. Models of MIPC governance need to be developed and resident inclusion will be considered
Unfairness which takes time to remove needs policies for the long term	The programme will provide a sustainable source of employment in the long term which will help address deprivation and inequality in the local area.
Preventing inequalities is more effective than trying to eliminate them	Provision of well paid jobs in parts of the city that have high inequalities and lack of access to good jobs will help this
Services should be provided 'with' people, not 'for' them	See above on consultations

<p>The needs of future and current generations should be balanced when making decisions.</p>	<p>South Yard is a long term regeneration project. It will require a skilled force for generations to come. Other parts of the City Deal programme are targeting young people to encourage them to take up opportunities in advanced manufacturing sectors. Focused attempts by local agencies and employers to recruit locally in construction and implementation phases will be implemented</p>
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STAGE 4: Publication			
Director, Assistant Director/Head of Service approving EIA.		Date	

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CITY COUNCIL: 26 JANUARY 2015

Council Tax Base Setting 2015/16 and Council Tax Support Scheme 2015/16

**Cabinet minute 114: 13 January 2015**

Malcolm Coe (Assistant Director for Finance) submitted a report providing a Council Tax Base for tax setting purposes for 2015/16 in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, and seeking approval to the continuation of the existing 2014/15 Council Tax Support Scheme for the 2015/16 financial year.

Councillor Lowry (Cabinet Member for Finance) introduced the proposals and reported that -

- (a) the proposed Council Tax Base was 68,460, compared with a figure of 67,066 for 2014/15 which reflected the increase in the number of homes in the city;
- (b) the current Council Tax Support Scheme provided for a charge of 20% for those people receiving benefit and it was proposed to continue these arrangements for another year;
- (c) a collection rate of 98.5% was being proposed compared with 97.5% for 2014/15.

Alternative options considered and the reasons for the decision –

As set out in the report.

The City Council is Recommended to approve -

- (1) the Council Tax Base for 2015/16 Tax Setting as 68,460 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5% ;
- (2) the 2014/15 Council Tax Support scheme continuing for the 2015/16 financial year and that all elements of the scheme remain the same.

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PLYMOUTH CITY COUNCIL

Subject: Council Tax Base Setting 2015/16 and Council Tax Support Scheme 2015/16

Committee: Cabinet

Date: 13 January 2015

Cabinet Member: Councillor Lowry

CMT Member: Malcolm Coe (Assistant Director for Finance)

Author: Natalia Szabo-Reed (Principal Technical Accountant)

Contact: Email:natalia.szabo-reed@plymouth.gov.uk
Tel: 01752 304121

Ref:

Key Decision: No

Part: I

Purpose of the report:

The report provides Members with a Council Tax Base for tax setting purposes in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The correct calculation of the Council Tax Base will ensure the Council maximizes its financial resources to meet its corporate priorities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:

A collection rate of 98.5% has been used in calculating the Council Tax base. This Council Tax base setting report together with Appendix A which details the tax base calculations, shows the tax base is 68,460 which will give us a Council Tax requirement of £90,407,129 assuming a 1.99% increase. This is in line with the resource modelling within the budget papers being presented to Council in February 2015.

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

None – this report sets out the base for the Council Tax resource for 2015/16 and all implications from resource allocation are set out in the four year sustainable budget report.

Equality and Diversity:

None

Recommendations and Reasons for recommended action:

1. That Cabinet recommend to Council the approval of the Council Tax Base for 2015/16 Tax Setting as 68,460 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.
2. That Cabinet recommend to Council the approval of the 2014/15 Council Tax Support Support scheme continuing for the 2015/16 financial year and that all elements of the scheme remain the same.

Alternative options considered and rejected:

Not applicable – calculation of the tax base is a statutory function.

Published work / information:

None

Background papers:

None

Sign off:

Fin	djn141 5.27	Leg	21995 /DVS	Mon Off	21995/ DVS	HR		Assets		IT		Strat Proc	
Originating SMT Member: Malcolm Coe													
Has the Cabinet Member(s) agreed the content of the report? Yes													

I INTRODUCTION

- 1.1 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 establishes arrangements for the setting of Council Taxes. The arrangements include the valuation of the Council Tax Base for tax setting for which a Council resolution is necessary. The result must be notified to the major precepting authorities.
- 1.2 For the year commencing 1 April 2015 the major precepting authorities will be Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority and Plymouth City Council.
- 1.3 Regulations require the Council to determine its Tax Base for Council Tax purposes for 2015/16 during the period 1 December 2014 to 31 January 2015. The level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix A.
- 1.4 The calculation of the Tax Base includes the impact of the Council Tax Support Scheme which significantly reduces income from Council Tax which is then offset, in part, by a Council Tax Support Grant which is included within the Settlement Funding Allocation.

2 PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to present Cabinet with the calculation of the Council Tax Base of 68,460 for tax setting for the financial year 2015/16. For purposes of comparison, the Council Tax Base for tax setting in the financial year 2014/15 was 67,066.
- 2.2 The Tax Base calculation includes the impact of the Council Tax Support Scheme. This report assumes that all elements of the scheme remain the same for the 2015/16 financial year.

3 TAX BASE CALCULATIONS

- 3.1 Tax base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.
- 3.2 Relevant amounts are:
 - (a) The number of chargeable dwellings in that band shown in the valuation list as it stands on the relevant day.
 - (b) The number of discounts, disabled reductions and exemptions which apply to those dwellings on the relevant day;
 - (c) Estimated changes in (a) and (b) above between the relevant day and the last day of the charging period to which the estimate applies;

- (d) Impact of the Council Tax Support scheme which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions by the estimated Council Tax for that band;
- (e) The number of Band D equivalents within each different band.
- (f) The relevant day is 30 November in the financial year preceding that for which the relevant amounts are calculated.

3.3 The collection rate for the year is the billing authority's estimate of the total amounts of Council Tax which will ultimately be paid or transferred into the Collection Fund.

3.4 This report assumes a collection rate for Council Tax of 98.5%.

3.5 A summary of the actual calculation of the 2015/16 Council Tax Base for Plymouth is shown in the Appendices to this report. Appendix A shows the tax base calculation, Appendix B shows the tax base used for the previous three years for comparison.

	BAND A with disabled relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	Total
Number of dwellings in valuation list as at 30th November 2014	-	46,694	31,618	22,046	9,194	4,711	1,648	578	60	116,549
Number of exempt dwellings (including demolished)	-	2,874	1,862	1,105	612	206	43	39	21	6,762
Reductions to lower band due to disabled relief	-	117	157	116	90	64	25	31	11	611
Additions to band due to disabled relief	117	157	116	90	64	25	31	11	-	611
CHARGEABLE DWELLINGS FOR BAND	117	43,860	29,715	20,915	8,556	4,466	1,611	519	28	109,787
Total discounts at 25%	47	22,858	10,249	5,662	1,970	862	282	74	1	42,005
Total discounts at 50%	2	279	208	98	50	26	33	26	17	739
Total discounts at 100% one months only	-	670	360	167	81	36	17	10	-	1,341
TOTAL DISCOUNTS	13	5,910	2,696	1,478	524	232	88	32	9	10,983
Long Term Empty Premium at 50%	-	120	26	13	3	-	4	4	2	172
LONG TERM EMPTY PREMIUM	-	60	13	7	2	-	2	2	1	86
Estimated number of dwellings not listed but which will be listed in the band for the whole or any part of the financial year	-	248	168	117	49	25	9	3	0	620
Estimated number of reductions to lower band due to successful appeals	-	-	9	2	1	4	3	1	-	20
Estimated number of additions to lower band due to successful appeals	-	9	2	1	4	3	1	-	-	20
TOTAL ADJUSTMENTS	-	257	161	116	52	24	7	2	0	620
LOCAL COUNCIL TAX SUPPORT SCHEME REDUCTIONS	39	11,054	3,771	1,205	294	75	21	3	-	16,461
Family annexes discount at 50%	-	7	5	9	6	4	4	2	-	35
FAMILY ANNEXES	-	4	2	4	3	2	2	1	-	18
TOTAL DWELLINGS	65	27,210	23,420	18,351	7,788	4,182	1,509	487	21	83,032
RATIO TO BAND D	5	6	7	8	9	11	13	15	18	
	9	9	9	9	9	9	9	9	9	
RELEVANT AMOUNTS FOR 2015/16	36	18,140	18,216	16,312	7,788	5,111	2,179	812	41	68,634
COLLECTION RATE										98.50%
ADJUSTED RELEVANT AMOUNT	36	17,868	17,942	16,067	7,671	5,035	2,146	799	41	67,605
MOD CONTRIBUTION										856
TAX BASE										68,460

Council Tax base in previous years

Appendix B

	2014/15			2013/14			2012/13		
Band	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent
A	46,657	97.50%	17,428	46,555	97.50%	17,613	46,363	98.50%	24,443
B	31,379	97.50%	17,501	31,134	97.50%	17,431	30,914	98.50%	19,901
C	21,986	97.50%	15,771	21,800	97.50%	15,637	21,734	98.50%	16,580
D	9,123	97.50%	7,570	8,922	97.50%	7,499	8,903	98.50%	7,683
E	4,679	97.50%	5,001	4,539	97.50%	4,891	4,493	98.50%	4,836
F	1,657	97.50%	2,131	1,673	97.50%	2,199	1,675	98.50%	2,192
G	578	97.50%	780	578	97.50%	798	567	98.50%	761
H	60	97.50%	39	59	97.50%	37	58	98.50%	32
Total	116,119		66,221	115,260		66,105	114,707	98.50%	76,428
MOD			845			853			843
Tax Base			67,066			66,958			77,271

CITY COUNCIL: 26 JANUARY 2015

Tamar Bridge and Torpoint Ferry Joint Committee: Business Plan 2015-2019 and 2015/16 Revenue Estimates and Capital Programme

**Cabinet minute 116: 13 January 2015**

Anthony Payne (Strategic Director for Place) submitted a report on the recommendations of the Tamar Bridge and Torpoint Ferry Joint Committee in relation to the Business Plan 2015 – 2019 and the 2015/16 Revenue Estimates and Capital Programme.

Minutes 28 and 29 of the Tamar Bridge and Torpoint Ferry Joint Committee were also submitted.

Councillor Coker (Cabinet Member for Transport) introduced the proposals and indicated that –

- (a) the Tamar Bridge and Torpoint Ferry were operated, maintained and improved jointly by Plymouth City Council and Cornwall Council funded by toll income;
- (b) no increases in toll charges were anticipated in the four year period of the business plan;
- (c) the Tamar Bridge and Torpoint Ferry Joint Committee had recommended approval of the Business Plan 2015-2019 subject to -
 - the deletion of the words 'as necessary' from point six of the operations priorities; and
 - the addition of the investigation of appropriate alternative mechanisms for toll revisions to the improvement priorities;
- (d) the appendices to the business plan would be included in the final version when the plan was published at year end;
- (e) the Tamar Bridge and Torpoint Ferry capital programme was not part of the Council's capital programme.

David List (General Manager, Tamar Bridge and Torpoint Ferry) and Andrew Valance (Business Manager, Tamar Bridge and Torpoint Ferry) attended the meeting for this item and David List reported that 1% growth in income had been assumed for 2015/16. He also indicated that provision had been included in the reserves for further projects which were yet to receive approval of business cases.

Alternative options considered and the reasons for the decision –

As set out in the report.

The City Council is Recommended to –

- (1) approve the Tamar Bridge and Torpoint Ferry Joint Committee's 2015-2019 Business Plan 2015 – 2019 (as amended by minute 28 of the Tamar Bridge and Torpoint Ferry Joint Committee);
- (2) approve the 2015/16 Revenue Estimates and Capital Programme as submitted.

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PLYMOUTH CITY COUNCIL

Subject: Tamar Bridge & Torpoint Ferry
Business Plan 2015-2019,
2015/16 Revenue Estimates and Capital Programme

Committee: Cabinet

Date: 13 January 2015

Cabinet Member: Councillor Coker

CMT Member: Anthony Payne (Strategic Director for Place)

Author: David List, General Manager Tamar Bridge and Torpoint Ferry

Contact details Email: david.list@tamarcrossings.org.uk

Ref:

Key Decision: No

Part: I

Purpose of the 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 finances of the joint undertaking are effectively ring-fenced by the Act, and it is operated as a self-financing business.

The Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC) Terms of Reference require the Cabinets of the Joint Authorities to recommend TBTFJC's Business Plan and budgets to their respective Full Councils.

The report presents the two reports submitted to TBTFJC on 5 December 2014 and draft minutes recording their endorsement.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

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 Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Finance – The proposed budgets and delivery of the Business Plan will be funded from toll income, and based on assumed annual traffic growth of 1% from 2015/16 onwards no increase in toll charges are anticipated in the four years covered by the Business Plan.

Human – The Business Plan 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.

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

Risk Management – A risk register and mitigation measures are included within the Tamar Bridge and Torpoint Ferry Business Plan 2015-2019.

It should be noted that Plymouth City Council and Cornwall Council have reviewed the TBTFJC Business Plan, Business Continuity Management System and Risk Management Framework, and are content that the business continuity risks associated with TBTFJC are adequately covered.

Health and Safety – Key Performance Indicators within the Business Plan are designed to drive improvement.

There are no child poverty or community safety implications.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes, these are provided within respective TBTFJC reports.

Recommendations and Reasons for recommended action:

That the Cabinet recommends TBTFJC's 2015-2019 Business Plan and 2015/16 Revenue Estimates and Capital Programme to Full Council for approval.

Alternative options considered and rejected:

The Business Plan is 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.

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

Published work / information:

Tamar Bridge & Torpoint Ferry Joint Committee reports, 5 December 2014

2015-2019 Business Plan

<https://democracy.cornwall.gov.uk/documents/b17871/Business%20Plan%202015-19%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=9>

2015/16 Revenue Estimates and Capital Programme

<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

Tamar Bridge and Torpoint Ferry Joint Committee Draft Minutes of Meeting 5 December 2014

<https://democracy.cornwall.gov.uk/documents/g5395/Printed%20minutes%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=1>

Background papers:

None

Sign off:

Fin	ABPlac eF TC141 5006.1 2.12.14	Leg	No. 2199 2/DV S	Mon Off	No. 219 92/ DV S	HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

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 as a self-financing business. As such the Business Plan aims to provide the service without external financial support from the parent authorities or other source.

Background

Business Plan

- 1.2 The implementation of a rolling four-year Business Plan follows a resolution by the TBTF Joint Committee in December 2009 to adopt a business planning framework that would reflect the strategic nature of the two crossings and integrate operational and financial aspects of the undertaking into a single document. The previous 2011-15 and 2013-17 Business Plans stated the mission and values of the organisation which remain unchanged in the updated document. The proposed draft Plan moves forward two years and covers the period 2015-19.
- 1.3 Sections reviewing performance against the previous 2013/17 plan are currently blank, as it is proposed to incorporate 2014/15 outturn statistics in the final 2015-2019 plan when that data is available after April 2015. This approach ensures that on publication, the 2015-2019 Business Plan is contemporary and that it has not been superseded by outturn variations.
- 1.4 The proposed plan incorporates the progress made on key delivery actions, and takes into account revised income forecasts and expenditure projections. These align with the Revenue Estimates and Capital Programme proposals. The plan indicates a likelihood that the minimum level of reserves of £2 million would be reviewed within the period covered by the plan.
- 1.5 Additional information has been added to the document to reflect greater emphasis on value for money elements of the undertaking. The plan links with the undertaking's Business Continuity Management System and the Risk Management Framework.
- 1.6 The draft Business Plan was presented to TBTFJC at its meeting on 5 December 2014. TBTFJC resolved to propose the Plan to respective Cabinets subject to the following amendments:
 - i) the deletion of the words 'as necessary' from point six of the operations priorities and
 - ii) the addition of the investigation of appropriate alternative mechanisms for toll revisions to the improvement priorities.

and this is recorded in the draft minutes of that meeting at

<https://democracy.cornwall.gov.uk/documents/g5395/Printed%20minutes%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20joint%20Committee.pdf?T=1>

- 1.7 Detail on the Business Plan is shown in the report presented as item 5.3 of the agenda pack for the 5 December 2014 meeting of TBTFJC at

<https://democracy.cornwall.gov.uk/documents/b17871/Business%20Plan%202015-19%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=9>

Revenue Estimates

- 1.8 The proposed Revenue Estimates 2015/16 (budgets) and indicative estimates for future years support the Business 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.
- 1.9 Income in the 12 months ending 31 October 2014 was 3.8% higher than in the previous 12 month period reflecting emergence from the economic recession. The forecast for future income has been based on the continuation of this level of growth for the remainder of 2014/15 followed by more modest annual growth of 1% thereafter. This is considered to be a conservative but prudent approach in comparison to government's forecasts of economic growth exceeding 2%.
- 1.10 Based on the assumptions set out above and funding of the major projects in the Capital Programme by borrowing, reserves during the period covered by the Business Plan would lie in the range £3.6 million to £4.4 million. It is therefore not anticipated that any toll revision will be necessary during the term of the Business Plan which extends to April 2019.
- 1.11 Detail on the revenue estimates is shown in the report presented as item 5.4 of the agenda pack for the 5 December 2014 meeting of TBTFJC at
<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

and these were approved by TBTFJC for recommendation to Cabinet as shown in the draft minutes at

<https://democracy.cornwall.gov.uk/documents/g5395/Printed%20minutes%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=1>

Capital Programme

- 1.12 The items in the Capital Programme for 2015/16 onwards are :

Bridge protective coating	£4.57m
Bridge Office Development	£3.33m
Bridge access works	£0.68m
Bridge half-joint replacement	£0.10m
Bridge structural monitoring system	£0.10m

The above items are all within the current approved programme.

- I.13 Two further unapproved items have been noted in the capital programme - 'Bridge Resurfacing Works – Phase 2' and 'Bridge Deck Waterproofing/Drainage Improvements'- both included under 'Future Programme'. A business case will be developed for each of these items and presented to a future meeting of TBTFJC for consideration. If endorsed by TBTFJC these projects will be recommended to respective Cabinets for addition to the Capital Programme.
- I.14 As established within previous years' budget reports, the financing of 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 therefore the level of reserves held by the Joint Committee. The financing costs for the approved programme are reflected within the revenue estimates.
- I.15 Detail on the capital programme is shown in the report presented as item 5.4 of the agenda pack for the 5 December 2014 meeting of TBTFJC at

<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

and this was approved by TBTFJC for recommendation to Cabinet as shown in the draft minutes at

<https://democracy.cornwall.gov.uk/documents/g5395/Printed%20minutes%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=1>

**TAMAR BRIDGE AND TORPOINT FERRY
JOINT COMMITTEE: DRAFT MINUTES 28
AND 29 OF 5 DECEMBER 2014**



BUSINESS PLAN 2015 – 2019 (minute 28)

The General Manager presented the written report setting out the draft Business Plan for 2015 – 2019 from which he highlighted the increased toll revenue generated from additional traffic and the assumption of 1% growth over the period of the Plan. He advised that there had been no fundamental change to key priorities and financial details would be completed when year end outturn figures were known.

A debate ensued, the main points of which were noted as follows:-

- i) it was suggested that for clarity, the words 'as necessary' be removed from the operational priority to promote electronic tolling;
- ii) it was considered that the improvement priorities should contain mention of the intention to explore appropriate alternative mechanisms for toll reviews.

In answer to issues raised in debate, the General Manager advised that:-

- i) the success of electronic tolling was dependent upon the attractiveness of the package. The Joint Committee had previously taken the view that the income generation balance should be 60% tag and 40% cash and this was reflected in the Business Plan;
- ii) investigations were continuing into the possibility of removing the Bridge and Ferry from the restrictive 1954 legislation to which other large crossings were not bound.

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

**RESOLVED TO RECOMMEND TO THE CABINETS AND FULL COUNCILS OF
CORNWALL AND PLYMOUTH CITY COUNCILS**

That the Business Plan 2015-2019 be approved subject to:-

- i) the deletion of the words 'as necessary' from point six of the operations priorities and
- ii) the addition of the investigation of appropriate alternative mechanisms for toll revisions to the improvement priorities.

It was further

RESOLVED That an update report be submitted to the next meeting..

2015/16 REVENUE ESTIMATES AND CAPITAL PROGRAMME (minute 29)

The Joint Treasurer (Cornwall) presented the written report setting out the proposed revenue budget for 2015/16, indicative figures for the subsequent 3 years, and the proposed capital programme.

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

RESOLVED TO RECOMMEND TO THE CABINETS AND FULL COUNCILS OF CORNWALL AND PLYMOUTH CITY COUNCILS:-

- i) That the proposed revenue budget for 2015/16, as set out in Appendix 1 to the report, be approved;
- ii) That the proposed capital programme, as set out in Appendix 2 to the report, be approved;
- iii) That the longer term forecast to 2018/19 be noted.

Tamar Bridge & Torpoint Ferry Joint Committee

Business Plan

2015-2019

DRAFT

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1. Foreword by the Joint Chairmen of the Committee

THE GENERAL MANAGER IS IN DISCUSSIONS WITH JOINT CHAIRS REGARDING CONTENT.

Councillor George Wheeler
Plymouth City Council

Councillor Bob Austin
Cornwall Council

DRAFT

2. Executive Summary

2.1 The Tamar Bridge and Torpoint Ferry provide the travelling public with the two major crossings of the lower reaches of the River Tamar connecting Plymouth and South-East Cornwall. Their operation is governed by a Joint Committee representing the two authorities, Cornwall Council and Plymouth City Council, that own the crossings.

The strategic importance of these crossings within the context of Plymouth and Cornwall stresses the wider perspective within which the Business Plan has been developed.

2.2 Our mission is to provide the travelling public with safe, reliable and efficient crossings of the Tamar through the operation, maintenance and improvement of the Tamar Bridge and Torpoint Ferry.

2.3 Core values shape the organisation's culture, priorities and decisions:

respect	excellence	creativity
integrity	accountability	openness
ownership	accessibility	teamwork

and these values underpin the way in which the undertaking operates.

2.4 The service relies on major infrastructure assets and human resources to deliver its mission. Both crossings operate on a 24 hour, 365 day basis and have significant peaks in demand predominantly eastbound on weekday mornings and westbound on weekday evenings, and the crossings are operated to maximise the service availability to match those demands.

2.5 The undertaking employs approximately 100 staff, and some services including toll collection and vehicle recovery at the bridge are provided by contractors.

2.6 Approximately 95% of the finance needed to operate, maintain and improve the two crossings is funded from tolls and related fees, with the remaining 5% derived from rentals, wayleaves and contribution from the Highways Agency in relation to joint operation of the Tamar Bridge/Saltash Tunnel tidal flow system. The undertaking works with many other stakeholders through partnerships and joint working arrangements which reflect the need to integrate the service within a wider context.

2.7 The undertaking recognises the importance of managing risk so that it can achieve key strategic objectives and organisational goals. It therefore maintains a contemporary risk register which is used as the framework for monitoring and managing both strategic and operational risks.

2.8 Longer term planning sets the context for determining key priorities for the Business Plan, which are set out together with associated actions.

2.9 A range of improvements are included in the Business Plan, and most of these will be financed by borrowing. The undertaking is financially self-sufficient, using toll income to fund the crossings and capital projects.

- 2.10 Following four years of year-on-year reduction, Bridge traffic increased significantly in 2014, but Ferry traffic levels stayed flat. The 2014 increases at the Bridge are believed to reflect a rebound effect following the national economic recession, but it is anticipated that traffic growth for 2015-2019 will not be as great as in 2014 and will follow a longer-term trend of 1% annual growth.
- 2.11 Based on traffic forecasting, predicted income and forecast expenditure, it is not likely that a toll revision would become necessary in the period covered by this Business Plan.
- 2.12 The key themes for the period are:
- maintaining safe, reliable crossings
 - providing new accommodation at Tamar Bridge to improve resilience
 - recoating and resurfacing projects at Tamar Bridge to preserve the assets and ensure long term service delivery
 - investment in communication and information technology to improve the way we inform users and deliver services remotely
 - ensuring that potential obsolescence of specialist equipment aboard the Torpoint Ferries is monitored and managed
 - measuring and benchmarking our performance against comparable organisations

DRAFT

3. The Tamar Crossings

- 3.1 The Tamar Bridge and Torpoint Ferry provide the major vehicular and pedestrian crossings of the lower reaches of the River Tamar. The two crossings are operated as a single undertaking by the Tamar Bridge and Torpoint Ferry Joint Committee, which was established by the Tamar Bridge Act 1957. The Joint Committee comprises five elected councillors from each of the Joint Authorities, Plymouth City Council and Cornwall Council. Joint Chairmen are elected from each of the two councils and they chair Committee meetings on an alternating basis.
- 3.2 The Tamar Bridge Act 1957 gave the Joint Authorities powers to build the Tamar Bridge and to charge tolls to cross it. The Act also made provision for the Joint Authorities to take ownership and control of the Torpoint Ferry, which at that time was owned and operated by Cornwall County Council.
- 3.3 When opened in 1961 the Tamar Bridge was the longest suspension bridge in the UK and it remains the only fixed crossing of the lower Tamar between Plymouth and South East Cornwall.
- 3.4 Between 1998 and 2007, significant investment was made in the two crossings. The Tamar Bridge was widened and strengthened between 1999 and 2001, three new much larger and safer Torpoint Ferries came into service in 2004/05 and in 2007 electronic toll collection was introduced at both crossings. Together, these projects represented approximately £60 million of capital investment to support the provision of safe, reliable and efficient crossings into the future.
- 3.5 This Business Plan recognises that the assets associated with the investments must be properly maintained, and ensures that there are plans in place to protect and update the assets to ensure that the service life is maximised and associated services remain relevant.

4. Strategic Importance

- 4.1 Effective transport links between South East Cornwall and Plymouth are vital in building and maintaining a sustainable local community. They contribute to the achievement of a stronger community with better local economies and also provide access to health, education and leisure services. The Tamar Bridge and Torpoint Ferry make a significant contribution to these goals, providing the only links across the lower Tamar for public, private and commercial vehicles, and provide significant access links for pedestrians and cyclists.
- 4.2 This Business Plan recognises the wider role of the crossings in the future of the communities of Cornwall and Plymouth, and the work necessary to ensure that role will continue during the period of the plan. An integrated approach must therefore be adopted that supports wider area strategies and predicted challenges for both Cornwall and Plymouth.
- 4.3 A number of challenges may develop during the period covered by this Business Plan. They include:
- accommodating the potential impact of population and housing growth in Cornwall and Plymouth through respective Spatial Strategies and Local Development Frameworks;
 - minimising the impact of the crossings on the natural environment, heritage and landscape;
 - ensuring that the crossings are able to support growth in the economies of both Cornwall and Plymouth;
 - maintaining and improving provision of good access to health, education and other services;
 - adapting to climate change and mitigating its effects;
 - managing the effect of traffic growth on the capacities of the Bridge and the Ferry;
 - managing the demand for travel and influencing travel behaviour where appropriate or necessary;
 - improving the quality of journey integration by addressing public transport, walking and cycling;
 - ongoing maintenance requirements to optimise the operational lives of both the Bridge and the Ferry.
- 4.4 To ensure that safe, reliable and efficient crossings are available for the long term future of the region, the strategy developed for the crossings must recognise these challenges in the wider strategic context for Cornwall and Plymouth. In doing so the plan will aim to:
- maximise certainty for the community, investment and development;
 - enable and support planned investment in infrastructure and services;

- ensure that development of the crossings is informed by and integrated into other strategic plans including the local development frameworks, local transport plans and economic development plans;
- ensure that investment is made in the crossings for their maintenance, operation and improvement and that the funding is available to enable this to happen;
- provide a clear process to guide the management of the crossings.

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5. Mission

- 5.1 The mission of the undertaking is to provide the travelling public with safe, reliable and efficient crossings of the river Tamar through the operation, maintenance and improvement of the Tamar Bridge and Torpoint Ferry.
- 5.2 This mission can only be achieved by maintaining the assets to appropriate standards, and by ensuring that the quality and capacity of the service meet the changing demands placed upon them.
- 5.3 The mission cannot be accomplished in isolation and we need to work with a range of partner organisations and stakeholders, as detailed in 7.13.

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6. Core values

6.1 An organisation's core values shape its culture, its priorities and its decisions.

6.2 The undertaking's core values are:

respect – valuing people, diversity and unique contributions by fostering a trusting, open and inclusive environment

integrity – striving to ensure that every aspect of the organisation is founded on honesty, transparency, impartiality and consistency

ownership – taking pride in our work and our performance

excellence – striving to excel at everything that we do

accountability – explaining actions and taking responsibility for them

accessibility – ensuring that our facilities are available to all sections of the community

creativity – maintaining an innovative and forward-thinking approach, looking for new ideas and using them to enhance the service

openness – making information about the undertaking and the Joint Committee's decisions readily available to all users and stakeholders

teamwork – within the organisation, working in collaboration with the Joint Authorities and partner organisations towards organisational or common goals

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7. The Service

The Assets

- 7.1 The core services are delivered using large infrastructure facilities. These facilities are key to the delivery of the service and their availability must therefore be optimised with robust and effective maintenance programmes. With appropriate maintenance the Tamar Bridge has an anticipated remaining life of 120 years and the current generation of Torpoint Ferries should serve for at least another 20 years.
- 7.2 Whilst the majority of traffic using the crossings is relatively local in terms of origin and destination, the Tamar Bridge is also a vital element in the trunk road network. Peak traffic flows occur on weekday mornings (predominantly eastbound) and weekday evenings (predominantly westbound). To maximise capacity, traffic lanes on the bridge are operated in a tidal fashion to match the predominant traffic flow or to facilitate specific traffic management for activities such as maintenance work and breakdown recovery. This tidal flow system includes the Bridge and the Highways Agency's Saltash Tunnel and requires 24 hour, 365 day monitoring and control. Our Bridge control room is therefore staffed around the clock and is operated in partnership with the Highways Agency. The Bridge carries approximately 50,000 vehicles on an average weekday and around 16 million vehicles a year. The south cantilever lane of the Bridge provides a dedicated pedestrian and cycle lane which forms part of the Local and National Cycle Networks.
- 7.3 The Torpoint Ferry operation is the busiest inland waterway vehicular ferry crossing in the UK, transporting up to 8,000 vehicles across the river on busy weekdays. The ferries also carry foot passengers providing a vital link between the Torpoint area and Plymouth, and the crossing forms part of the National Cycle Network. All three vessels are operated in peak periods, with two vessels operating off-peak and a single vessel operating overnight ensuring continuity of service for the public and emergency services.
- 7.4 Both crossings offer priority arrangements and free crossings for buses and also provide free crossings for pedestrians, cyclists, certain emergency vehicles and those individuals qualifying for our mobility scheme.

People

- 7.5 Approximately 100 full-time and part-time staff are directly employed on the undertaking, 75% of whom work at the Torpoint Ferry operation. Many of the staff are employed on a shift working basis to resource the round the clock service.
- 7.6 At the Bridge fifteen toll collectors and four recovery vehicle drivers are employed by contractors to deliver 24 hour coverage of those two functions. These contracted staff are integrated into the undertaking and form part of the operational teams.
- 7.7 The organisation's structure is attached at Appendix 1.
- 7.8 The Joint Committee also relies upon professional support from Plymouth City Council and Cornwall Council.

Funding

- 7.9 Approximately 95% of the finance to operate, maintain and improve the facilities is funded from tolls. The 'user pays' principle ensures that those who derive most benefit from the crossings contribute accordingly.
- 7.10 The remaining 5% of income is generated from rentals, wayleaves and reimbursement of the costs of operating the Saltash Tunnel on behalf of the Highways Agency. Funding is covered in more detail in section 12.

Management

- 7.11 The General Manager and officers of the Joint Authorities present reports at the meetings of the Joint Committee. The reports address contemporary issues and provide updates on expenditure, projects and studies, and also seek approval of the annual statement of accounts. The meetings allow the Joint Committee to consider reports reviewing the performance of the undertaking.
- 7.12 Certain powers are delegated to officers of the two Authorities and to the General Manager through schemes of delegation, financial regulations and individual decisions of the Joint Committee.

Partnerships and Joint Working

- 7.13 As well as drawing on resources from the Joint Authorities for professional and support services, the undertaking operates in partnership and joint working arrangements with a range of organisations including:

Highways Agency – partnering on the operation of the Tamar Bridge/Saltash Tunnel Tidal Flow Corridor;

Devon and Cornwall Police – emergency planning, emergency response and facilities surveillance;

Cornwall Fire and Rescue Service – joint working on rescue procedures and emergency planning;

Devon and Somerset Fire and Rescue Service – joint working on rescue procedures and emergency planning;

UK Bridge Operators, UK Toll Operators and UK Chain and Cable Ferry Operators – joint working on shared documents and standards, benchmarking and exchange of information;

International Cable Supported Bridge Owners/Operators – representation, benchmarking and exchange of information.

- 7.14 These relationships contribute to the safety, reliability and efficiency of the crossings. Significant efforts are invested in the maintenance and development of these important relationships, and this investment is rewarded with a return, through shared benefits, exceeding that which may be achievable solely through contractual arrangements.

Contracted Supply and Services

- 7.15 Contracts are in place for a range of services and works including the Tamar Bridge toll collection service, ferry refits, supply of ferry main chains, specialist engineering term consultancy and engineering advice, and marine consultants to supervise ferry refits.
- 7.16 As a public body the undertaking complies with all relevant UK legislation and European Directives on procurement and value for money and this is reflected in robust contract procedures.

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8. Business Continuity and Risk Management

8.1 The undertaking's Business Continuity Management System is designed to

- identify potential threats to the undertaking
- assess the impacts those threats might have on service delivery
- mitigate identified risks to an acceptable level
- provide a managed response to disruptive events
- provide a framework for building resilience.

and is the subject of a separate document – Tamar Bridge and Torpoint Ferry Business Continuity Management System (BCMS).

8.2 The system follows the principles and uses the definitions set out in BS ISO 22301:2012. It sets out the undertaking's policy, procedures and plans that support the on-going delivery of the service. That document states the undertaking's Business Continuity Policy:

to develop, maintain and improve the undertaking's resilience to threats in order to continue delivering the service in accordance with the mission statement, and put plans and procedures in place to control service disruptions to a level considered to be broadly acceptable.

8.3 The BCMS links with this Business Plan to establish service delivery objectives, and uses the organisation's Risk Register to identify critical activities that are relied upon to deliver the service and the residual risks that if realised will need to be managed by the BCM process.

8.4 In managing business continuity pro-actively, the organisation seeks to assess, improve and test its resilience against disruption and demonstrate a proven capability to respond to threats.

8.5 Risk management is both a statutory requirement and an essential element of good corporate governance. It embodies the culture, processes and structure that are directed towards the effective management of potential opportunities or threats to an organisation in achieving its objectives.

8.6 The undertaking recognises the importance of managing risk so that it can achieve key strategic objectives and organisational goals. The Tamar Bridge and Torpoint Ferry Joint Committee Risk Management Framework is designed to:

- ensure that we achieve the key strategic objectives and organisational goals;
- improve strategic, operational and financial management;
- be more efficient with resources;
- safeguard or improve our assets;
- mitigate key threats and identify key opportunities;
- improve decision making, planning and prioritisation of key issues;
- promote innovation, change and improvement;
- ensure value for money;
- avoid any unforeseen issues, unknown threats or failures;
- develop, support and protect employees.

- 8.7 The Framework follows the principles and uses the definitions as set out in BS 31100:2011 Risk Management and sets out the undertaking's policy, procedures and plans in relation to its Risk Management activities. That document states the undertaking's Risk Management Policy:

to systematically identify, evaluate, monitor and manage all threats and risks that it faces so that it can continuously achieve its mission.

- 8.8 The undertaking recognises the importance of an integrated Risk Management Framework which will ensure that we maintain a contemporary strategic and operational risk register that incorporates a formal review, monitoring and reporting process to ensure a consistent approach to managing risk. We also recognise that in some cases risk events appear on both the strategic risk register and the operational risk register. In these cases it is likely that the operational risk event has a lower impact on delivery of the service but still requires a specific response or Incident Management Plan.
- 8.9 The risk registers incorporate a risk ranking based on the probability of the risk event being realised, the severity of it and the resultant outcome which are adjusted to recognise existing mitigation measures. The management team will continue to monitor and review the registers and prioritise further mitigation as is becomes necessary. Key risks from the undertaking will be promulgated to the Joint Authorities and included within their relevant risk registers.
- 8.10 The organisation recognises that Risk Management is not about creating a totally risk free environment but more about preparing a disciplined approach to managing uncertainty and being prepared to take mitigating action. The risk registers are regularly monitored and reviewed and, when used effectively, act as an early warning for any movement in risk. The Risk Management Framework will ensure that the management of risk continues to be a fundamental part of day-to-day operations, influencing working practices, specifications and procedures.
- 8.11 The ultimate measure of effective Business Continuity and Risk Management is that the undertaking has the resilience to deliver its mission and provide safe, reliable and efficient crossings of the river Tamar now and into the future.
- 8.12 The Strategic Risk register is at Appendix 3.

9. Performance management

- 9.1 The undertaking's performance and service delivery is overseen in a variety of ways. Routine oversight of operational management is undertaken by the Joint Committee and the Joint Authorities (Cornwall Council and Plymouth City Council), with further scrutiny provided by internal and external auditors and *ad hoc* efficiency reviews. The performance of individual staff is monitored through appropriate supervision and a contemporary appraisal system.
- 9.2 Measurement of appropriate service level indicators is undertaken through the use of key performance indicators which are routinely reported to staff of the Joint Authorities and at quarterly Joint Committee meetings.

Key Performance Indicators (KPIs)

- 9.3 We use key performance indicators to measure our general performance and success in achieving priorities for 2015-2019 and these KPIs are set out in the tables below.

Table 1: Safe Services

Description	KPI	Target	Why this is important?
Accidents involving members of the public	<i>Number of accidents</i>	<i>No year on year increase</i>	Public safety is paramount;
Reportable incidents and minor accidents involving employees	<i>Number of reportable incidents and accidents involving employees at both crossings</i>	<i>Minimise number of incidents and accidents</i>	Need to mitigate risk to the lowest practicable level to avoid further accidents.
Lost time – employees	<i>Hours lost due to accidents per 100,000 hours worked.</i>	<i>No year on year increase</i>	Provides a measure of the safety of the work environment. Reduces costs associated with absence or reduced capability following accident.

Table 2: Reliable Services

Description	KPI	Target	Why this is important?
Bridge traffic lane availability	<i>Peak time lane availability</i> <i>Total lane availability</i>	>99.5% >98.5%	Measures success of traffic management and reliability of infrastructure. Ensuring that lanes are open is key to ensuring that journeys are predictable and reduces the risk of accidents.
Bridge toll booth availability	<i>% of scheduled booth hours achieved</i>	>99%	In addition to helping to ensure that journey times are predictable, the measure assists assessment of the performance of the contractor providing the toll collection service and provides a measure of the reliability of the technologies used at the plaza.
Ferry scheduled crossings availability	<i>% of scheduled crossings achieved</i>	>99%	Measures success of vessel management and reliability of infrastructure. Predictable service is essential for customers to plan the best mode of transport.
<i>Ferry waiting/journey times</i>	<i>Average journey time from entry of waiting area to exit off ferry</i> <i>Peak journey time from entry of waiting area to exit off ferry</i>	<i>Analysis of recently installed equipment is being compiled and realistic & challenging targets based on figures to end of March 2015 will be added to this section</i>	<i>Measures success of vessel management and reliability of infrastructure. Predictable journey times are essential for customers to plan the best mode of transport.</i>
<i>Bridge journey times</i>	<i>Average journey time through the tidal flow system.</i> <i>Peak traffic journey times through the tidal flow system</i>	<i>See above</i>	<i>Measures success of traffic management and reliability of infrastructure. Predictable journey times are essential for customers to plan the best mode of transport.</i>

Table 3: Effective and Efficient Services

Description	KPI	Target	Why this is important?
Expenditure	<i>Variance against budgets</i>	Monthly review within 10% of profiled spend End of year within approved annual budget	Cost control, financial management, efficiency.
Tag Usage	<i>Overall usage</i> <i>Peak usage</i>	≈60% ≈80%	Maintains plaza capacity. Reduces uncertainty of income level.
complaints	<i>Number</i> <i>Response time</i>	<i>At least 10% less than previous year</i> <i>95% of complaints responded to within 10 working days.</i>	Indicator of customer satisfaction. Those making complaints remain aware that their comments are valued and investigations are prioritised. Presents correct image of a responsive organisation.
payment within 30 days of invoice date	<i>% of invoices are paid within 30 days</i>	>95%	Payment within terms assists the relationship with suppliers and improves validity of financial monitoring process
energy use	<i>Energy use</i>	<i>Reduction of 10% from 2014/15 base by end of business plan period</i>	Our carbon footprint is reduced and costs associated with energy use controlled.
recycling of waste	<i>% of waste recycled</i>	<i>(draft) Year on year increase during period of plan</i>	Our impact on the environment is reduced.
staff sickness absence	<i>Days absence per employee per annum</i>	<i>average of <9 days</i>	Reflects a healthy workforce and sound HR practices.

Monitoring Indicators

- 9.4 In addition to the key indicators that measure the organisation's performance, other indicators can provide information on aspects of service delivery but which are, by varying degrees, outside the control of the organisation.
- 9.5 The indicators shown in the table below will be monitored.
- 9.6 Annual reviews will report the actions that will be taken in the course of the year that are likely to impact on these areas.

Description	Measure(s)	Why this is important to service users	Why this is partly or wholly outside our control
Road Traffic Collisions (RTCs) occurring within Joint Committee controlled highway	No of RTCs within Tamar Bridge/ Saltash Tunnel tidal flow system No of RTCs within Torpoint Ferry traffic control area	We must provide a safe environment to users and our staff RTCs impact on service delivery, frequently requiring at least partial closure of roadways.	Many RTCs are due largely to driver error.
Incidents of recorded anti-social behaviour on Joint Committee property	Reported incidents at each crossing	Users expect a safe and secure environment	Threatening, anti- social or illegal behaviour is the responsibility of the those performing the act(s).

Performance Review

- 9.7 Bi-monthly management meetings take place to review progress in relation to performance indicators and other issues. Progress on key delivery actions forms part of the staff appraisal and performance review process. The General Manager reports contemporary information regarding performance indicators to Joint Committee meetings.
- 9.8 A summary of past year performance will form part of the Annual Report and Accounts presented to the Joint Committee at its autumn meetings and more detailed performance information of the past year is included in each Business Plan. Information related to performance in 2014/15 can be found in section 15 on page 33.
- 9.9 Details of specific annual action plans to meet the Business Plan goals will be presented to the Committee at its spring meetings.

Public Information

- 9.10 Reports presented at Tamar Bridge and Torpoint Ferry Joint Committee meetings and minutes of these meetings are made available on our website, and the undertaking complies with the Freedom of Information Act.

10. Long term strategy

- 10.1 Plans for the longer term must sustain the mission to provide safe, reliable and efficient crossings of the river Tamar.
- 10.2 These plans are influenced by the Local Transport Plans of the Joint Authorities through close liaison with their respective transportation teams.
- 10.3 To a large extent, major maintenance of the facilities occurs in cycles and we must ensure that the physical and financial resources are available for major tasks such as resurfacing and repainting the Bridge and undertaking refits of the Ferries. These maintenance cycles may span Business Plan cycles.
- 10.4 Changes in traffic demand, user expectations, legislation and other factors may stimulate changes in the way the undertaking operates and may require improvements to facilities. The undertaking must therefore continue to look ahead to maintain a clear strategy for the future.
- 10.5 Planning well ahead preserves the level of service, reduces operational risks, maintains funding options, informs future income requirements and helps minimise disruption for the travelling public. Therefore while this Business Plan spans four years, plans beyond that period must also be considered.
- 10.6 In accordance with good asset management practice, any projects proposed for potential future investment are tested by undertaking feasibility studies to investigate options and to confirm their viability before higher costs are committed.
- 10.7 A contemporary long term financial model extending 10 years ahead will continue to be maintained and updated.
- 10.8 The Business Plan for 2015-2019 has been developed within the context of this longer term plan.

11. Priorities 2015-2019

11.1 Delivery of our mission is achieved through the operation, maintenance and improvement of the Tamar Bridge and Torpoint Ferry crossings. Our priorities during the period of this Business Plan reflect these three key delivery elements.

11.2 The undertaking will ensure that it is delivering an appropriate service to users through close monitoring of demand and customer feedback, and through its awareness of industry best practice achieved by participation in industry workshops and local, regional and national forums.

Operations Priorities

- maximise the safety of users and staff and reduce risk to both groups through ongoing risk assessment, education, involvement and communication;
- increase the use of electronic and remote communications to ensure that users have the latest travel information;
- to review information gathered from recording equipment installed in 2014 to improve measurement of our service
- ensure that the crossings remain efficient through continuous review of individual elements of our service, budgetary control and use of robust processes;
- ensure that the service provision meets reasonable customer service expectations;
- promote the use of electronic tolling as necessary to minimise congestion and improve the predictability of journey times;
- ensure that performance standards meet or exceed industry standards;
- ensure that staff terms and conditions and human resources policies remain appropriate for the organisation.

Maintenance Priorities

- ensure that maintenance programmes for the assets are designed to meet contemporary best practice standards, are in compliance with all relevant statutory requirements and are delivered in accordance with programmes;
- to minimise disruption to users wherever possible by scheduling maintenance tasks for periods outside peak use, and by incorporating appropriate incentive mechanisms in supply contracts.
- To undertake major maintenance projects including resurfacing the Tamar Bridge.

Improvement Priorities

- to progress the major Bridge protective coating programme;
- to replace the Tamar Bridge operations centre and offices;

- to update our TamarTag facilities to ensure that the scheme remains contemporary, payment facilities offer flexibility and users have appropriate information about their account;
- to benchmark our service against comparable organisations;
- to update our governance arrangements;
- strengthen our focus on environmental issues, ensuring our standards continue to be appropriate to the location, crossing the Tamar Estuary, a European designated Special Area of Conservation (SAC).

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12. Plans for 2015-2019

Maintenance

12.1 We will continue to maintain the facilities in order that the planned life of the assets are achieved or exceeded. Maintenance of the two facilities will continue to reflect current best practice and meet all regulatory requirements.

Operation

12.2 The undertaking will be operated to minimise disruption to the service whilst at the same time ensuring efficient use of resources.

12.3 The service we provide will be monitored to ensure that:

- current demand is met as far as reasonably possible;
- user disruption is minimised;
- customer feedback is noted and queries and complaints promptly answered;
- timely planning is undertaken to meet anticipated future demands.

Improvement

12.4 Capital projects already approved for completion before 2019 include:

- replacement of the Bridge operations centre and offices to improve the resilience of the facilities, improve access for users and ensure that facilities provide sufficient flexibility for future needs;
- continuing the major protective coating programme for the Bridge thereby preserving its service life;
- replacement of the main and half joints on the Bridge;
- replacement of the Bridge's structural monitoring system.

12.5 We will review the condition of the road surfacing of the western two thirds of the bridge main deck during the period and consider replacement of the surfacing if required. Whilst a provision for works has been made within 2016/17 budgets, this scheme has not yet been approved and will be subject to presentation of a full business case to the Joint Committee.

12.6 Continued enhancement of services will also be pursued, particularly in the development of electronic commerce and improved communications. The latter will include the establishment of periodic customer satisfaction surveys.

13. Delivery actions

13.1 In order to progress the undertaking's priorities, key actions are required during the period of the Business Plan as outlined below:

Our Priorities	Key Actions
Maximise the safety of users and staff and reduce risk to both groups through ongoing risk assessment, education, involvement and communication.	<ul style="list-style-type: none"> • Compliance with all relevant legislation • Continued development of policies • Improve staff and public "buy-in" through education and communication • Review of accidents, incidents and near misses to ensure that lessons are learned and future risk reduced. • Continuous review of the Health and Safety Management system for the organisation to continue.
Ensure that the crossings remain cost-effective through continuous review of individual elements of our service, budgetary control and use of robust processes.	<ul style="list-style-type: none"> • Continuous review of service levels • Control of internal costs, reviewing processes as necessary • Ensuring that appropriate specifications are used when procuring goods and services to maximise competition and ensuring value for money. • Benchmark key areas of service and costs against comparable organisations.
Ensure that there is sufficient knowledge of our service to ensure that provision meets reasonable customer service requirements.	<ul style="list-style-type: none"> • Maintain dialogue with users through our comments and complaints procedures. • Ensure that service conditions are communicated in a timely manner through appropriate channels • Introduce segmented customer surveys
Promote the use of electronic tolling to minimise congestion and improve the predictability of journey times.	<ul style="list-style-type: none"> • Ensuring that the schemes remain attractive to the user groups targeted (TamarTag, Mobility Smart Card) and that there is sufficient awareness of these schemes. • Monitoring journey times
Ensure that performance standards meet or exceed industry standards.	<ul style="list-style-type: none"> • Networking with other organisations within the industry • Benchmarking against comparable organisations • Maintain contemporary practice and technology
Ensure that staff terms and conditions and human resources (HR) policies remain appropriate for the organisation and fit for purpose	<ul style="list-style-type: none"> • Monthly HR meetings • Maintenance and routine review of relevant statistics
Ensure that maintenance programmes for the assets are designed meet to contemporary best practice standards, are in compliance with all relevant statutory requirements and are delivered in accordance with programmes.	<ul style="list-style-type: none"> • Ensure specifications meet contemporary standards and programmes comply with current legislation • Networking with other organisations with similar requirements • Incorporate technological developments and innovations into programmes where they offer a net benefit for users
Wherever possible schedule maintenance tasks for periods outside peak use, to minimise disruption to users.	<ul style="list-style-type: none"> • Ensure that scheduling requirements form a key part of contracts. • Incentivise delivery wherever possible through bonus and/or penalty clauses. • Ensure that routine surveys contain elements which assist monitoring of usage patterns which can be fed back into maintenance scheduling
Improve communications with users of our facilities including an improved website (www.tamarcrossings.org.uk) and extend the use of online services.	<ul style="list-style-type: none"> • Publish an increased range of statistics online • Provide online application routes for services and payments • Research and, where appropriate, deliver additional technology services (eg SMS traffic updates)
Strengthen our focus on environmental issues and work towards registration to ISO14001 appropriate to the location, crossing the Tamar Estuary, a European designated Special Area of Conservation (SAC).	<ul style="list-style-type: none"> • Gain ISO14001 • Increase recycling year on year • Reduce energy use by 10% • Investigate options for managing carbon footprint of the internal organisation and that caused by the use of the facilities. • Maintain participation in relevant multi-agency forums including those offering reduced carbon transportation
Replace bridge operational centre and offices to improve operational resilience and public access and to better "future proof" facilities.	<ul style="list-style-type: none"> • Complete design work • Commence works • Complete works

14. Financial resources

- 14.1 Toll revenues and fees represent 95% of Joint Committee income. The remaining 5% consisted of rentals, wayleaves and a contribution from the Highways Agency to cover the costs incurred in managing traffic using the Saltash Tunnel.
- 14.2 Income received through tolls and other sources funds the operation, maintenance and improvement of the two crossings and can also be used to reimburse transport initiatives that benefit either of the two crossings. There are no grants or contributions from other sources (eg Council Tax) and by law the crossings cannot provide a revenue stream for the Joint Authorities or other organisations.

Anticipated Income 2015 to 2019

- 14.3 Toll income is determined by:
- the toll charging structure;
 - the volume of traffic using the crossings;
 - the proportion of users choosing our pre-payment discount scheme (TamarTag) and the level of discount offered;
 - the extent of free concession crossings offered to buses, emergency services, disabled drivers and others.
- 14.4 This means that changes in the general economic situation, fuel price variations and the availability of public transport will directly and indirectly affect our income.
- 14.5 Toll charges are authorised and limited by a Toll Order issued by the Secretary of State for Transport. The order sets out the maximum charges that can be made for certain classes of vehicles. In order to revise tolls, a statutory process must be followed involving a formal application to the Secretary of State for Transport setting out a business case that supports the need for a revision.
- 14.6 The Joint Committee offers a 50% discount to users who set up a pre-paid electronic payment (TamarTag) account. Approximately 60% of customers settle their toll through the electronic scheme, providing 46% of toll income, while the 40% of users paying cash provide 54% of toll income.
- 14.7 Traffic volume at Tamar Bridge increased by 3.5% during 2014/15, with the number of vehicles settling by cash increasing by 6%. This latter element reflected some recovery from the disproportionate loss of this income source during the previous three years. The 2014 increases at the Bridge are believed to reflect a rebound effect following the national economic recession, but it is anticipated that traffic growth for 2015-2019 will not be as great as in 2014 and will follow a longer-term trend of 1% annual growth. Traffic volumes at the Ferry were more resilient during the recession and 2014/15 saw this trend continue. We anticipate that this zero growth trend at the Ferry will continue throughout the period covered by the Business Plan.
- 14.8 Based on traffic forecasting, predicted income and forecast expenditure, it is not likely that a toll revision would become necessary in the period covered by this Business Plan. However, as the last recession showed, the number of tolled crossings reflects

the general economy and should general national economic performance be below expectations, we will have to revisit our estimates.

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14.9 Income forecasts are as follows:

Financial Year	Tamar Bridge Toll Income	Torpoint Ferry Toll Income	Other Income	Total Income
<i>2014/15 forecast</i>	<i>£8.627m</i>	<i>£1.120m</i>	<i>£0.909m</i>	<i>£10.656m</i>
<i>2015/16</i>	<i>£8.753m</i>	<i>£1.120m</i>	<i>£0.912m</i>	<i>£10.785m</i>
<i>2016/17</i>	<i>£8.801m</i>	<i>£1.120m</i>	<i>£0.915m</i>	<i>£10.836m</i>
<i>2017/18</i>	<i>£8.889m</i>	<i>£1.120m</i>	<i>£0.919m</i>	<i>£10.928m</i>
<i>2018/19</i>	<i>£9.097m</i>	<i>£1.120m</i>	<i>£0.923m</i>	<i>£11.140m</i>

Expenditure plans 2015-2019

14.10 Expenditure is in the form of revenue expenditure funded directly from income or reserves, and capital expenditure which may also be funded directly from income or reserves, but is largely funded by borrowing. Where significant investment is needed to improve the facilities or to significantly extend service life, we generally borrow to smooth peaks in expenditure and in order that those benefiting in the future will contribute towards the associated cost. The full cost of this capital expenditure is represented in accounts through the annual payment of interest on the associated loan and on the element of the loan that is repaid during the course of each financial year.

14.11 Expenditure plans for each financial year are proposed by the Joint Committee to the Cabinet of each Council in the late Autumn of the preceding year. Cabinets then recommend the budget and Business Plan to the respective full Council. Generally formal approval is only in place for revenue expenditure for the current or immediately forthcoming financial year, while expenditure forecasts for subsequent years are noted and will be subject to approval in due course. However for contracts delivering beyond the routine budget approval timescales, approval for expenditure may be approved on an ad hoc basis.

14.12 Our approved capital project plans for the period 2015-2019 are shown in the table below:

Project Description	Financial Year(s) in which Project will take place	Estimated Expenditure
Replacement of Bridge Operational Centre/Offices	2015-2017	£3.327m
Phase 1 replacement protective coatings to Bridge	2014-2020	£4,568,000
Replacement of Bridge Half Joint	2015-2016	£100,000
Replacement Bridge Structural monitoring system	2014-2016	£100,000

14.13 It is anticipated that further significant resurfacing and waterproofing works will be required at Tamar Bridge during the period covered by this Business Plan. Officers and consultants will review surfacing condition and remedial requirements, and it is

considered prudent to include initial broad estimates for the cost of this work 2016/17. These works are however not yet included in approved capital plans, and will subject to presentation of business case.

14.14 The forecast expenditure for the four years covered by this Business Plan is as follows:

Financial Year	Tamar Bridge Operations	Torpoint Ferry Operations	Corporate Costs	Debt & Capital Servicing	Total Expend
<i>2014/15 forecast</i>	<i>£3.069m</i>	<i>£5.346m</i>	<i>£0.495m</i>	<i>£1.932m</i>	<i>£10.842m</i>
<i>2015/16</i>	<i>£3.644m</i>	<i>£5.207m</i>	<i>£0.504m</i>	<i>£1.881m</i>	<i>£11.236m</i>
<i>2016/17</i>	<i>£3.189m</i>	<i>£4.607m</i>	<i>£0.495m</i>	<i>£2.098m</i>	<i>£10,389m</i>
<i>2017/18</i>	<i>£3.177m</i>	<i>£4.625m</i>	<i>£0.504m</i>	<i>£2.479m</i>	<i>£10.785m</i>
<i>2018/19</i>	<i>£3.209m</i>	<i>£4.687m</i>	<i>£0.515m</i>	<i>£2.656m</i>	<i>£11.067m</i>

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Efficiency and Value for Money

14.15 The current level of service has been shaped by many factors particularly:

- retention of safety as the primary concern
- the health and well-being of the local community
- response to traffic demand
- accessibility
- striving to improve the reliability of the crossings
- aiming to reduce journey times where possible.

14.16 A key characteristic of the joint undertaking is the use of large bespoke infrastructure assets to deliver the service – the Tamar Bridge and the Torpoint Ferries. These assets need to be maintained and in general terms the older they get the more likely it is that maintenance costs will increase. Our strategy is to maintain these assets to a high standard to preserve the long-term safety and reliability of the crossings and where possible avoid prolonged disruption for major maintenance activities over the life of the infrastructure. Investment in timely capital improvements mitigates operational risks and controls future maintenance expenditure – for example the major repainting programme scheduled for the Bridge over the next few years will not only preserve the structure for around 20 years but will also reduce subsequent general remedial painting costs and also minimise service disruption in future years. Extending useful life of capital assets beyond their repayment schedules produces significant future operational savings.

14.17 We ensure that the services provided are safe, robust and are delivering in a way that supports the economy of the region. These aims require that there is continuity and 24/7 cover for operational and safety related tasks as well as appropriate level of redundancy in service, equipment and personnel.

14.18 Competitive tendering is the default approach for external procurement of goods and services to achieve best value from the supply market, and we follow Cornwall Council's rigorous procurement assurance regime. Although savings will continue to be gained through this approach, our primary infrastructure facilities (bridge and ferries) are fixed and specialised in nature. This limits options within the marketplace when procuring goods and services to ensure continued safe and reliable operation. The specialised nature of the undertaking and service level commitments limit the scope for efficiency savings in some areas.

14.19 Term contracts or multiple year contracts are adopted to realise economies of scale and reduce overall tendering costs. Examples of this are in the provision of toll collections staff, the supply of ferry chain and in ferry refit work. Durations of these contracts are moderated to allow periodic review, renewed market competition and innovation in delivery.

- 14.20 Internal costs are regularly reviewed to ensure best value delivery of the overall service, to avoid duplication and to eliminate waste. An independent efficiency review of the undertaking was carried out during 2013/14 and where appropriate and feasible any remaining recommendations will be implemented during the life of the Business Plan.
- 14.21 Key performance indicators are used to ensure that we are meeting or exceeding our general service obligations and any specific planned levels of service.

Funding

- 14.22 The major source of funding for the undertaking is through tolls charged at both crossings. Tolls at both crossings were increased by 50% in March 2010 following a public inquiry.
- 14.23 The undertaking has a reserve to mitigate against the financial impact of unexpected events and to buffer the effect of years where there is greater expenditure, for example during those years when higher than average levels of planned maintenance are required. The minimum prudent level of reserves is currently assessed at £2 million. By the end of the period covered by this Business Plan, some seven years will have elapsed since the current assessment and a further review of reserve levels will be necessary.
- 14.24 Current projections of reserves are set out below.

	2014/15 (forecast)	2015/16	2016/17	2017/2018	2018/2019
<i>Year end reserves</i>	<i>£4.134m</i>	<i>£3.696m</i>	<i>£4.156m</i>	<i>£4.312m</i>	<i>£4.398m</i>

- 14.25 The Joint Committee has agreed in principle to pursue smaller but more frequent increases in tolls where necessary to meet forecast income requirements. This approach is in line with the preference indicated in the response to public consultation undertaken in 2009. However as noted elsewhere in the plan, based on traffic forecasting, predicted income and forecast expenditure it is not likely that a toll revision would become necessary before 2019.
- 14.26 By funding major improvement works and capital schemes through borrowing, the crossings are able to remove the need to build up substantial reserves to fund such projects and means that tolls do not have to be adjusted so frequently. Funding improvements through borrowing also means that the improvement schemes are funded by those that enjoy the benefits the schemes provide.
- 14.27 By borrowing to fund capital expenditure the organisation carries a level of debt which must be managed to ensure that it does not exceed what can be reasonably funded through income. The current guidance on prudential levels of borrowing is that the cost of funding debt should not exceed 25% of annual income.
- 14.28 A table showing projected debt levels during the period covered by this Plan and the affordability ratio associated with the debt are shown below.

	Debt at end of Financial Year	Percentage of income required to fund debt
<i>2014/15 actual</i>	<i>£18.454m</i>	<i>16.6%</i>
<i>2015/16</i>	<i>£21.285m</i>	<i>17.4%</i>
<i>2016/17</i>	<i>£26.545m</i>	<i>19.4%</i>
<i>2017/18</i>	<i>£28.654m</i>	<i>22.7%</i>
<i>2018/19</i>	<i>£27.273m</i>	<i>23.8%</i>

14.29 The debt carried by the undertaking is funded through Cornwall Council. This arrangement enables the organisation to benefit from the Council's Treasury Management Policies, greatly reducing exposure to sudden changes in borrowing rates on current debt and enabling the organisation to estimate the cost of capital associated future projects with a high level of certainty.

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15. 2014/15 Performance Review

- 15.1 RELEVANT COMMENTARY REFERENCING FINANCIAL YEAR 2014/15 TO BE ADDED AFTER OUTTURN
- 15.2 The 2013/17 Business Plan included a number of key performance indicators (KPIs) which assisted assessment of the organisation's performance. Outturn figures are for those KPIs are recorded below.

Key Performance Indicators (KPIs)

Table 1: Safe Services

Description	KPI	Target	2014/2015 Outturn
Accidents involving members of the public	<i>Number of accidents</i>	<i>Reduction year on year</i>	x accidents (2013/14: x accidents)
Reportable incidents and minor accidents involving employees	<i>Number of reportable incidents and accidents involving employees at both crossings</i>	<i>Minimise number of incidents and accidents</i>	x accidents (2013/14: X accidents)
Lost time – employees	<i>Hours lost due to accidents per 100,000 hours worked.</i>	<i>Reduction year on year</i>	XXX working days lost (2013/14: XX days)

Table 2: Reliable Services

Description	KPI	Target	2014/2015 Outturn
Bridge traffic lane availability	<i>Peak time lane availability</i>	>99.5%	9X.X%
	<i>Total lane availability</i>	>98.5%	9X.X%
Bridge toll booth availability	<i>% of scheduled booth hours achieved</i>	>99%	9X.X%
Ferry scheduled crossings availability	<i>% of scheduled crossings achieved</i>	>99%	9X.XX%
<i>Ferry waiting/journey times</i>	<i>Average journey time from entry of waiting area to exit off ferry</i> <i>Peak journey time from entry of waiting area to exit off ferry</i>	<X mins <i>not more than Y% above average</i>	
<i>Bridge journey times</i>	<i>Average journey time through the tidal flow system.</i> <i>Peak traffic journey times through the tidal flow system</i>	<X mins <i>not more than Y% above average</i>	

Table 3: Effective and Efficient Services

Description	KPI	Target	2014/2015 Outturn
Expenditure	<i>Variance against budgets</i>	Monthly review within 10% of profiled spend End of year within approved annual budget	
Tag Usage	<i>Overall usage</i>	≈60%	6X.X%
	<i>Peak usage</i>	≈80%	8X.x%
complaints	<i>Number</i>	<10% less than previous year	XX Complaints (2014/15: XX complaints)
	<i>Response time</i>	95% of complaints responded to within 10 working days.	XX%
payment within 30 days of invoice date	<i>% of invoices are paid within 30 days</i>	>95%	XX%
energy use	<i>Energy use</i>	Reduction of 10% from 2011/12 base by 2016	
recycling of waste	<i>% of waste recycled</i>	increase by 25% from a 2011/12 base by 2016	
staff sickness absence	<i>Days absence per employee per annum</i>	2011/12 average of <8 days	XX days of which X.x days was related to long-term absence

Monitoring Indicators

Description	Measure(s)	Why this is important to service users	2014/2015 Outturn
Road Traffic Collisions (RTCs) occurring within Joint Committee controlled highway	No of RTCs within Tamar Bridge/Saltash Tunnel tidal flow system No of RTCs within Torpoint Ferry traffic control area	We must provide a safe environment to users and our staff RTCs impact on service delivery, frequently requiring at least partial closure of roadways.	XX incidents/RTCs X incident
Incidents of recorded anti-social behaviour on Joint Committee property	Reported incidents at each crossing	Users expect a safe and secure environment	Torpoint Ferry: XX incidents Tamar Bridge: XX incident

16. Appendices

- 1 Organisation chart
- 2 Strategic Risk Register (updated version as at March 2015 to be added)
- 3 Contacts and Web Links

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Weblinks

www.tamarcrossings.org.uk

www.cornwall.gov.uk

www.plymouth.gov.uk

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TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

**Revenue Budget 2015/16
and Indicative Projections for 2016/17 to 2018/2019**

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<i>Analysis of Variations</i>	<i>Page 5</i>

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

OVERALL SUMMARY	2014/15 Original Budget £'000	2014/15 Revised Forecast £'000	2015/16 Budget £'000	2016/17 Indicative £'000	2017/18 Indicative £'000	2018/19 Indicative £'000
Operational Summary						
Income	(10,337)	(10,656)	(10,785)	(10,836)	(10,928)	(11,140)
Expenditure						
Corporate	497	495	504	495	504	515
Bridge Operations	3,770	3,069	3,644	3,189	3,177	3,209
Ferry Operations	5,157	5,346	5,207	4,607	4,625	4,687
	9,424	8,910	9,355	8,291	8,306	8,411
Operating (Surplus)/Deficit	(913)	(1,746)	(1,430)	(2,545)	(2,622)	(2,729)
Interest on CC financing	850	813	906	1,090	1,258	1,275
Interest on Joint Committee balances	(13)	(13)	(13)	(13)	(13)	(13)
Capital Expenditure financed from Revenue	0	164	0	0	0	0
Contribution to CC MRP	933	955	975	1,008	1,221	1,381
Overall (Surplus)/Deficit on Undertaking	857	173	438	(460)	(156)	(86)
Reserve Balance brought forward	(3,214)	(4,307)	(4,134)	(3,696)	(4,156)	(4,312)
Reserve Balance carried forward	(2,357)	(4,134)	(3,696)	(4,156)	(4,312)	(4,398)

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CORPORATE	2014/15 Original Budget £'000	2014/15 Revised Forecast £'000	2015/16 Budget £'000	2016/17 Indicative £'000	2017/18 Indicative £'000	2018/19 Indicative £'000
<u>INCOME</u>						
Tolls						
Toll income - Bridge	(4,397)	(4,666)	(4,742)	(4,760)	(4,807)	(4,945)
Toll income - Ferry	(608)	(606)	(606)	(606)	(606)	(606)
Concessionary toll income - Bridge	(3,881)	(3,961)	(4,011)	(4,041)	(4,082)	(4,152)
Concessionary toll income - Ferry	(516)	(514)	(514)	(514)	(514)	(514)
	(9,402)	(9,747)	(9,873)	(9,921)	(10,009)	(10,217)
Other						
Tag Account Fee	(506)	(506)	(506)	(506)	(506)	(506)
Saltash Tunnel control	(318)	(300)	(303)	(306)	(309)	(312)
Tag statements	(14)	(6)	(6)	(6)	(6)	(6)
Other income	(97)	(97)	(97)	(97)	(98)	(99)
	(935)	(909)	(912)	(915)	(919)	(923)
TOTAL INCOME	(10,337)	(10,656)	(10,785)	(10,836)	(10,928)	(11,140)
<u>EXPENDITURE</u>						
Other Expenditure						
Support services	47	27	27	28	28	29
Tag statements	52	51	52	53	54	55
Purchase of tags	312	311	317	324	330	338
Bank charges	58	58	59	60	61	62
Internal Audit fees	8	8	8	8	8	8
External Audit fees	10	10	10	11	11	11
Consultants	10	30	31	11	12	12
TOTAL EXPENDITURE	497	495	504	495	504	515

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

BRIDGE OPERATIONS	2014/15 Original Budget £'000	2014/15 Revised Forecast £'000	2015/16 Budget £'000	2016/17 Indicative £'000	2017/18 Indicative £'000	2018/19 Indicative £'000
Employees						
Salaries and wages	836	798	872	881	896	906
Agency staff	38	88	19	19	19	19
Indirect employee expenses	20	19	19	20	20	20
Premises						
Repair and maintenance - buildings & grounds	349	141	71	73	69	71
Repair and maintenance - bridge & infrastructure	347	372	425	353	360	368
Bridge & gantry inspections	719	249	733	278	284	289
Energy costs, water, rent and rates	57	69	61	64	54	55
Insurances	72	80	81	83	85	86
Other premises costs	10	12	13	13	13	13
Transport Related Expenses						
Staff travel	18	20	20	20	20	20
Supplies & Services						
Operational expenses	287	328	345	331	326	331
Office expenses	209	184	244	301	264	269
Toll collection & banking	482	487	496	506	516	527
Breakdown recovery	184	143	145	146	148	149
Other expenses	73	42	43	43	44	26
Support service charges						
	69	37	57	58	59	60
Net Expenditure - Bridge Operations	3,770	3,069	3,644	3,189	3,177	3,209

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

FERRY OPERATIONS	2014/15 Original Budget £'000	2014/15 Revised Forecast £' 000	2015/16 Budget £' 000	2016/17 Indicative £' 000	2017/18 Indicative £' 000	2018/19 Indicative £' 000
Employees						
Salaries and wages	2,696	2,690	2,657	2,681	2,718	2,743
Agency staff	31	74	25	26	26	27
Indirect employee expenses	62	72	63	64	65	67
Premises						
Repair and maintenance - buildings & grounds	102	106	87	84	86	88
Energy costs, water, rent and rates	77	81	78	80	81	83
Other premises costs	53	58	58	60	61	62
Transport Related Expenses						
Staff travel	30	29	30	30	31	32
Supplies & Services						
Repair & maintenance - ferries & infrastructure	578	748	680	744	709	723
Annual refit - ferries	710	670	684	0	0	0
Fuel costs (Marine Gas Oil)	256	231	236	241	246	251
Insurances	124	130	132	135	138	140
Operational expenses	251	231	221	208	202	205
Office expenses	129	142	167	165	168	172
Other expenses	16	34	21	20	24	23
Support service charges						
	42	50	68	69	70	71
Net Expenditure - Ferry Operations	5,157	5,346	5,207	4,607	4,625	4,687

Variations between the Revised 2014/15 and 2015/16 Original Estimates

The variation of £0.297m between the revised estimated overall net deficit for 2014/2015 of £0.141m and the 2015/2016 estimated overall net deficit of £0.438m is accounted for as follows:

	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Corporate			
Inflation for prices (net)	6		
Increase in Cash Toll (Bridge), 1% infl. + £30k to offset reduction from Main Joint Replacement in 14/15	(77)		
Increase in Tag Toll (Bridge), 1% Infl. +£10k to offset reduction from Main Joint Replacement in 14/15	(49)		
	<hr/>	(120)	
Bridge			
Increases for pay awards, increments etc. & move from Agency to direct employment of staff	4		
Reduction in R&M Building maintenance following the approval of the Bridge Office Development	(30)		
Reduction in required Grounds Maintenance	(40)		
Small Increase in R&M at the Bridge	10		
Increase in R&M Painting	35		
R&M Bridge & Gantry Inspections work scheduled for 15/16	470		
Reduction in Electricity	(10)		
Air Travel budget brought back to normal level	(1)		
Increase in Health & Safety Equipment	7		
Upgrading of CCTV with IP system and back up	15		
New technology and replacement video system required for Toll Equipment	40		
Removal of Professional Fees to a contingency level	(50)		
Digitisation project in respect of photocopying & printing, deferred from 14/15	45		
Minor reduction in IT budgets	(4)		
Sharepoint development across the organisation (Hardware Support)	15		
Inflation for goods and services	49		
Small increase in conference and hotel expenses, in relation to Tolling	2		
Provision for increase in Finance SLA charge, to market levels	18		
	<hr/>	575	
Ferry			
Overall reduction in direct employee costs	(33)		
Reduction in Agency as do not require a Refit Superintendent for 15/16	(49)		
Reduction of other Employee Expenses, as only a minimum level is required	(11)		
Reduction in R&M Buildings Planned in respect of the shop/snack bar/reception	(26)		
Replacement office security system	5		
Reduction in cost of Gas	(5)		
Removal of the requirement for a ferry chain for this year	(80)		
Cost of carrying out a live emergency exercise	13		
Upgrading of CCTV with IP system and back up	20		
Removal of the provision to replace toll collection equipment during 14/15	(50)		
Minor increase in Toll Cash Handling charges anticipated	3		
Minor increase in Photocopying and Printing, as move to digitisation	2		
Minor reduction in IT budgets	(3)		
Sharepoint development across the organisation (Hardware Support)	15		
New Fibre Line Connections required	8		
Reduction in Professional Fees to normal levels	(14)		
Inflation for goods and services	48		
Provision for increase in Finance SLA charge, to market levels	18		
	<hr/>	(139)	
Change in Operational (Surplus)/Deficit			316
Other			
No assumptions have been made in respect of funding Capital from Revenue for future years		(164)	
Interest payments on capital financing		93	
Contribution to CC MRP		20	
		<hr/>	(51)
			<hr/> <hr/> 265

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

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

Capital Programme 2014/2015 to 2018/2019

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CAPITAL PROGRAMME	Actual Payments to 2013/14 £'000	Estimated Payments				Estimated Final Cost Total £'000
		2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	
Completed Schemes						
Rendel Park	205	0	0	0	0	205
Ferry Infrastructure	3,890	0	0	0	0	3,890
Electronic Tolling	5,331	0	0	0	0	5,331
Advance Signing	116	0	0	0	0	116
Ferry Marshalling Area	22	0	0	0	0	22
Bridge Office Feasibility Study	9	0	0	0	0	9
Bridge Car Park	4	0	0	0	0	4
Bridge Anchorage Chambers	73	0	0	0	0	73
Ferry Car Park Improvements	21	0	0	0	0	21
Gantry Chain Tunnel Replacement	261	0	0	0	0	261
Rendel Park - Phase 2	146	8	0	0	0	154
Bridge Resurfacing Works - Phase 1	720	0	0	0	0	720
Illuminated Road Studs	600	0	0	0	0	600
Storage Building Devonport	54	0	0	0	0	54
Ferry Sewage Treatment Plant	177	73	0	0	0	250
Current Programme						
Footpath 24 Reinstatement	21	9	0	0	0	30
Bridge Access Works	100	550	29	0	0	679
Bridge WIM	0	80	0	0	0	80
Bridge Handstrands	14	0	0	0	0	14
Bridge Protective Coating	203	375	1,330	1,330	1,330	4,568
Plaza Canopy Access Works	21	19	0	0	0	40
Bridge Main Joint Replacement	0	500	0	0	0	500
Bridge Half Joint Replacement	2	0	100	0	0	102
Bridge Structural Monitoring System	0	10	90	0	0	100
Rendel Park - Sea Wall Stabilisation	0	38	0	0	0	38
Bridge Office Development	0	133	1,256	1,938	0	3,327
Future Programme (Not approved)						
Bridge Resurfacing Works - Phase 2	0	0	0	2,000	2,000	4,000
Bridge Deck Waterproofing/drainage Improvements	0	0	1,000	1,000	0	2,000
TOTAL CAPITAL PROGRAMME	11,990	1,795	3,805	6,268	3,330	27,188
FINANCING						
Prudential Borrowing	10,340	1,631	3,805	6,268	3,330	25,374
Capital Receipts	20	0	0	0	0	20
Revenue Financing	1,630	164	0	0	0	1,794
TOTAL FINANCING	11,990	1,795	3,805	6,268	3,330	27,188

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

**Statement of Estimated Reserves
for 2014/2015 to 2018/2019**

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

	2014/15 Original Budget £'000	2014/15 Revised Forecast £' 000	2015/2016 Budget £' 000	2016/17 Indicative £' 000	2017/18 Indicative £' 000	2018/19 Indicative £' 000
RESERVES AND PROVISIONS						
RESERVES						
General Reserve						
Balance brought forward	(3,214)	(4,307)	(4,134)	(3,696)	(4,156)	(4,312)
Net movement for year	857	173	438	(460)	(156)	(86)
Balance Carried Forward	(2,357)	(4,134)	(3,696)	(4,156)	(4,312)	(4,398)

CITY COUNCIL: 26 JANUARY 2015

Tamar Bridge and Torpoint Ferry Joint Committee: Local Government Pension Scheme 2014 Discretions Policy

**Cabinet minute 117: 13 January 2015**

Anthony Payne (Strategic Director for Place) submitted a report on the draft Local Government Pension Scheme Draft Discretions Policy for Tamar Bridge and Torpoint Ferry staff as required by the Local Government Pensions Scheme 2014.

Minute 30 of the Tamar Bridge and Torpoint Ferry Joint Committee was also submitted, recommending the draft policy for approval.

Councillor Coker (Cabinet Member for Transport) introduced the proposals and indicated that as Cornwall Council was the lead authority for the Tamar Bridge and Torpoint Ferry, the Discretions Policy had been based on Cornwall Council's scheme.

David List (General Manager, Tamar Bridge and Torpoint Ferry) and Andrew Valance (Business Manager, Tamar Bridge and Torpoint Ferry) attended the meeting for this item.

Alternative options considered and the reasons for the decision –

As set out in the report.

The City Council is Recommended to approve the Tamar Bridge and Torpoint Ferry Joint Committee's Local Government Pension Scheme 2014 Discretions Policy.

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PLYMOUTH CITY COUNCIL

Subject: Tamar Bridge & Torpoint Ferry LGPS Discretions Policy
Committee: Cabinet
Date: 13 January 2015
Cabinet Member: Councillor Coker
CMT Member: Anthony Payne (Strategic Director for Place)
Author: Andrew Vallance, Business Manager Tamar Bridge and Torpoint Ferry
Contact details andrew.vallance@tamarcrossings.org.uk
Ref:
Key Decision: No
Part: I

Purpose of the 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 finances of the joint undertaking are effectively ring-fenced by the Act, and it is operated as a self-financing business. The Act prescribes Cornwall Council as the administering authority for the Pension Scheme and the joint undertaking is regarded as a scheduled body in its own right for pension scheme administration purposes.

The 2014 Local Government Pension Scheme (LGPS 2014) requires employers and scheduled bodies to set out their approach to discretionary elements of the scheme. At its meeting of 5 December 2014, the Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC) proposed that a draft LGPS Discretions policy be recommended to the joint Authorities.

The report presents the report submitted to TBTFJC on 5 December 2015 and draft minutes recording the decision to recommend the draft policy are appended to the report.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

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 Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Finance –The policy requires robust analysis of potential savings and the proposed policy is unlikely to result in a significant number of reviews under discretionary terms.

Human – The proposed policy adopts a similar approach to that of the TBTFJC's administering authority for LGPS 2014. Adoption of the policy will ensure that LGPS requirements are met.

Organisational benefit may also result from releasing staff who are motivated to take pension rights earlier than normal pension age.

IT – The administering authority can process any calculations required by the proposed policy.

Land – No land issues arising from this item.

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

Risk Management – The LGPS 2014 Regulations provide no default position if a body or employer does not declare its position in relation to the scheme’s discretionary provisions. The policy requires that a robust business case is produced before any release on economic or operational grounds and, any significant initial cost that may arise through the proposed policy is reviewed by Plymouth and Cornwall financial officers.

There are no health and safety, child poverty or community safety implications.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes, these are provided within the TBTFJC report.

Recommendations and Reasons for recommended action:

That the Cabinet recommends TBTFJC’s LGPS 2014 Discretions Policy to Full Council.

Alternative options considered and rejected:

Adoption in full of either of the Joint Authorities’ Policies was considered as was maintaining the historical omission related to this requirement.

Published work / information:

Tamar Bridge & Torpoint Ferry Joint Committee reports, 5 December 2014

LGPS Discretions Policy and Draft Minutes

<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

Tamar Bridge and Torpoint Ferry Joint Committee Draft Minutes of Meeting 5 December 2014

<https://democracy.cornwall.gov.uk/documents/g5395/Printed%20minutes%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

Background papers:

Sign off:

Fin	ABPlac eF TC141 5006.1 2.12.14	Leg	JS /199 57	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

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 as a self-financing business. As such the LGPS Discretions Policy adopts the approach that no external financial support from the parent authorities or other source will be required to support the policy.

Background

- 1.2 The TBTFJC is a Scheduled Body for the purposes of the Local Government Pension Scheme. The 1979 Tamar Bridge Act requires that the TBTFJC's participation in the scheme is administered by the Cornwall Pension Fund.
- 1.3 The 1979 Tamar Bridge Act records that the employer of staff employed for the purposes of the undertaking shall be the Authorities acting together through the TBTFJC. As with other financial matters, the TBTFJC recommends an approach in relation to pension scheme to both Authorities.
- 1.4 The Local Government Pensions Scheme 2008 was replaced in April 2014 with a new scheme, LGPS 2014. As with the 2008 scheme, LGPS 2014 requires each employer to have a policy on how the discretionary elements of the scheme will be applied. The regulations do not provide the employer with any default position that may be adopted if the approach to the discretionary elements has not been stated.
- 1.5 No Discretions Policy has previously been adopted by the TBTFJC, but no request has previously been made to consider applying a discretionary element of the Scheme, nor have circumstances arisen where the compassionate discretions may have been considered. However, without a policy, the TBTFJC is open to challenge and a policy should be adopted and management are aware of recent enquiries from staff about their eligibility for release under discretionary provisions.
- 1.6 The TBTFJC meeting of 5 December 2014 resolved to recommend the draft policy appended to this report to Plymouth City Council and Cornwall Council.

Organisational Risk

- 1.7 LGPS 2014 Regulations require that employers state their position on discretionary elements of the scheme. The Regulations do not provide a default approach if the employer does not state its position. Therefore without a policy the TBTFJC risks challenge with the associated costs of addressing that challenge and costs associated with any resulting remedy.

Options Appraisal

- 1.8 The "do nothing" option of TBTFJC remaining without an LGPS Discretions Policy was not considered viable without any provision for such a position within the Scheme's Regulations.
- 1.9 Officers have reviewed the two Authorities' policies in full. The two policies differ to an extent that officers could not readily create a hybrid.

It was immediately recognised that neither policy could be adopted without modifying the policies' approval processes so that the joint interest in the TBTFJC was reflected.

- 2.0 It was decided that the administering Authority's Policy should be adapted to reflect the joint nature of the undertaking

Business Case

- 1.10 The TBTFJC report containing analysis and the business case for the draft policy can be found at -

<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

The report is also attached at Appendix A.

- 1.11 The report identifies the need for the TBTFJC to adopt an LGPS Discretions Policy and asks the Joint Committee to recommend adoption of a Policy based on the administering Authority's model.
- 1.12 The Cornwall model has been adapted to reflect joint ownership, with TBTFJC managers reviewing and approving the use of a discretionary element within the LGPS 2014, subject to an initial cost ceiling of £50,000 when further approval from senior officers of both authorities would be required.
- 1.13 The draft TBTF policy also extends the time period for analysis of the recovery period of upfront costs from the two years of the Cornwall Policy to three years. This extension reflects the normal progression on TBTF pay increments and provides more opportunity for realisable savings.

APPENDIX A: Draft TBTFJC LGPS Discretions Policy

APPENDIX B: LGPS Discretions Policy: Report to TBTFJC 5 December 2014



Tamar Bridge and Torpoint Ferry Joint Committee

Employer Discretions Policy

Local Government Pension Scheme (LGPS) 2014

November 2014 (draft)

Summary

This document sets out Tamar Bridge and Torpoint Ferry Joint Committee's (TB&TFJC) policy on exercising its discretions under the Local Government Pension Scheme (LGPS) 2014.

The default position is that TB&TFJC will not utilise the discretions in the LGPS 2014 where there is a cost to the organisation. However, exceptionally, where it is in the financial interests of the TB&TFJC to do so, and there is a tangible and specific organisational benefit, the policy allows for the payment of discretionary benefits in cases of early retirement and the award of additional pension.

The policy also provides for early retirement on compassionate grounds in exceptional circumstances or flexible retirement where there is a benefit to TB&TFJC.

Finally the policy allows the General Manager to request the Pensions Manager in Cornwall Council to extend the 12 months limit for allowing active members to transfer benefits from previous pensionable employment into the Pension Fund where it is determined that maladministration has occurred.

Distribution

This policy has been the subject of consultation with the trade union and will be shared with all staff and Cornwall Pension Fund administering authority

Context

This Policy replaces any previous employer discretions policy adopted by TB&TFJC. The policy satisfies the requirement to formulate, publish and keep under review a policy statement to take account of the new discretions under the LGPS 2014.

Background – why this policy is needed

This policy is needed to explain whether and in what circumstances TB&TFJC will exercise any discretions under the Local Government Pension Scheme 2014 and to set out the approval process for decision making.

All local government employers are required to review and update their policy to take account of the changes introduced as part of the LGPS 2014.

Objectives – what the policy aims to achieve

This policy is intended to set out the policy position and clarify the limited circumstances and the related approval process where TB&TFJC might exercise its discretions under the LGPS 2014 in favour of the employee.

The exercise of any of the available discretions in favour of an employee will result in additional pension costs for TB&TFJC.

The default position is that TB&TFJC will not grant additional pension benefits under the LGPS 2014 except where it is essential to do so in order to facilitate a tangible and specific organisational benefit and the additional pension costs are recovered within a 3 year period or where TB&TFJC considers it appropriate to exercise its discretion on compassionate grounds.

Scope

The policy covers all staff of TB&TFJC who are in the pension scheme.

Any discretion in respect of the General Manager's post will be determined by The Strategic Director for Place in Plymouth City Council and the Corporate Director, Economy, Enterprise and Environment in Cornwall Council.

Any discretion in respect of the Business Manager's post this will be determined by the General Manager and the HR Advisor, subject to any initial cost being below £50,000. Costs of £50,000 or more must be reviewed and approved by the appropriate Corporate Directors of Cornwall Council and Plymouth City Council.

Discretions

A Shared Cost Additional Voluntary Contributions (AVC)(Regulation 17)

AVCs allow any active employee to increase their main scheme benefits by making regular monthly payments direct from their salary to an insurance policy the pension fund holds. These payments accumulate and are payable in the form of a pension and lump sum along with the main LGPS benefits when the employee retires. TB&TFJC's policy is not to contribute to any employee's AVC.

B Early payment of retirement benefits – Waiving Actuarial Reduction (Regulation 30(8))

Employees can retire from age 55 and receive immediate payment of their pension benefits providing they have at least two years' membership of the LGPS. Whilst the default position is that the pension benefits payable will be subject to an actuarial reduction, TB&TFJC may elect to waive any actuarial reduction for early retirement where a financial saving can be

achieved within 3 years and there is a benefit to TB&TFJC. This may also be applied in respect of item D below (early retirement on compassionate grounds).

The General Manager of TB&TFJC is authorised on behalf of the Joint Committee to exercise the discretion in the circumstances described above subject to consultation with the Business Manager, subject to any initial cost being below £50,000. Costs of £50,000 or more must be reviewed and approved by the appropriate Corporate Directors of Cornwall Council and Plymouth City Council.

Costs of early release of pension will be reported to the Joint Committee.

C Early Payment of Retirement Benefits between 55 and 60 years of age – Transitional Provisions Regulations

For those employees who were previously able to access unreduced benefits before the age of 60, the LGPS 2014 Regulations automatically provide for the 85 year rule to be “switched off” as the discretion to retire early now rests entirely with the employee. This change results in a reduction to all of the employee’s benefits if retirement is before the age of 60. This change, of course, means that retirement of long-serving employees before the age of 60 is not now associated with additional cost to the employer.

TB&TFJC will not “switch on “ the 85 Year Rule for early retirement unless it is in the financial interests of the TB&TFJC to do so with financial costs recovered within 3 years.

The General Manager is authorised on behalf of the Joint Committee to exercise the discretion in the circumstances outlined above subject to consultation with the Business Manager, subject to any initial cost being below £50,000. Costs of £50,000 or more must be reviewed and approved by the appropriate Corporate Directors of Cornwall Council and Plymouth City Council.

D Early Retirement on Compassionate Grounds (Regulation 30 (5) of 2008 Regulations)

TB&TFJC may permit early retirement on compassionate grounds in exceptional circumstances. These circumstances might include extreme financial hardship or the need to give up work in order to provide constant care for an immediate family member. The employee must be over 55 years of age for this to be considered.

The General Manager is authorised on behalf of the Joint Committee to exercise the discretion in the circumstances described above subject to consultation with the Business Manager, subject to any initial cost being below £50,000. Costs of £50,000 or more must be reviewed and approved by the appropriate Corporate Directors of Cornwall Council and Plymouth City Council.

E Flexible Retirement (Regulation 30(6))

TB&TFJC may permit flexible retirement only where there is a benefit to the TB&TFJC (either financial and/or operational) and where the employee's reduced level of earnings together with his or her pension does not exceed his or her pre-retirement earnings.

The TB&TFJC will not waive any actuarial reduction to an employee's pension benefits in these circumstances.

Any pension costs incurred by the employee's service must be recovered within a period of no more than three years.

The General Manager is authorised on behalf of the TB&TFJC to exercise the discretion in the circumstances described above subject to consultation with the Business Manager, subject to any initial cost being below £50,000. Costs of £50,000 or more must be reviewed and approved by the appropriate Corporate Directors of Cornwall Council and Plymouth City Council.

F Increase of Pension by Employer (Regulation 31)

The award of additional pension is not granted except when it is essential to do so in order to facilitate a tangible and specific organisational benefit.

The General Manager is authorised on behalf of TB&TFJC to exercise the discretion in the circumstances described above subject to consultation with the Business Manager, subject to any initial cost being below £50,000. Costs of £50,000 or more must be reviewed and approved by the appropriate Corporate Directors of Cornwall Council and Plymouth City Council.

G Transfer of Service into the LGPS (Regulation 100)

The General Manager is authorised to request the Pensions Administration Manager in Cornwall Council to extend the 12 month time limit for allowing active members to transfer benefits from previous pensionable employment into the LGPS where it is determined that maladministration has occurred as a result of affected employees not having been given any or sufficient details about the pension scheme or transfer option.

Management of policy

The General Manager is responsible for implementing and managing the policy. Breaches of the policy may be dealt with under TB&TFJC's disciplinary procedure.

Significant impacts associated with the policy will be reported to TB&TFJC.

Evaluation and Review

This policy will be reviewed within 12 months following implementation.

Date policy adopted

Date for review of policy

Cornwall Council

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

Date: **5 December 2014**

Title: **LGPS 2014 Discretions Policy**

Portfolio Area **Transport and Waste**

Divisions Affected **All in the vicinity of the Ferry**

Relevant Scrutiny Committee: **Scrutiny Management Committee**

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

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

Authors: Andrew Vallance/Carol Humphries Role: **Business Manager/HR Advisor**

Contact: andrew.vallance@tamarcrossings.org.uk

Recommendations: The draft Discretions Policy, as appended to this report, is recommended to the Joint Authorities for approval.

1. Executive summary

Cornwall Council

- 1.1 The new Local Government Pensions Scheme (LGPS) 2014 requires employers to state their position in relation to a number of discretionary elements of the scheme.
- 1.2 These discretions are usually associated with an immediate cost to the employer that may, in some circumstances be eventually recovered or lead to an overall financial benefit through lower salary costs or beneficial reorganisation. In other circumstances, the upfront cost may lead to other non-financial benefit, or the cost may be justified on compassionate grounds.
- 1.3 If an employer chooses to allow a discretionary element where it will provide longer term advantage, the policy should state what analysis will take place and the associated approval process.
- 1.4 The Tamar Bridge Act 1979 requires that Cornwall County Council and its successors administer the Joint Committee's pension fund but it does not record that Cornwall operates as the employer for pension purposes.
- 1.5 A separate policy for the undertaking is believed to necessary so that financial calculations are appropriate to the undertaking and that the approval process reflects the joint nature of the undertaking. However, given that Cornwall Council administers the Joint Committee's pension fund, the proposed policy appropriately reflects much of the approach taken by the Council in regard to its own employees, reducing potential administrative issues and costs that might otherwise be associated with a completely independent approach.
- 1.6 It is proposed that the Joint Committee recommend adoption of this policy to both Authorities so that the requirement within the 2014 Scheme for each employer to have such a policy may be progressed.

2. Background

- 2.1 The Joint Committee is a Scheduled Body for the purposes of the Local Government Pension Scheme. The 1979 Tamar Bridge Act requires that the Joint Committee's participation in the scheme is administered by the Cornwall Pension Fund.
- 2.2 The 1979 Tamar Bridge Act records that the employer of staff employed for the purposes of the undertaking shall be the Authorities acting together through the Joint Committee. However, the Joint Committee does not have a completely free-hand to act as

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employer when a decision has financial implications. As with other financial matters, the Joint Committee recommends an approach in relation to pension scheme to both Authorities.

- 2.2 The Local Government Pensions Scheme 2008 was replaced in April 2014 with a new scheme, LGPS 2014. As with the 2008 scheme, LGPS requires each employer to have a policy on how the discretionary elements of the scheme will be applied. The regulations do not provide the employer with any default position that may be adopted if the approach to the discretionary elements has not been stated.
- 2.3 No Discretions Policy has previously been adopted by the Joint Committee, but no request has previously been made to consider applying a discretion, nor have circumstances arisen where the compassionate discretions may have been considered. However, without a policy, the Joint Committee is open to challenge and a policy should be adopted.
- 2.3 The areas of discretion within LGPS 2014 have been extended beyond the limited areas within the 2008 scheme and cover:
- additional contributions;
 - early payment of retirement benefits without reduction;
 - early payment of benefits related to "85 year rule" transitional arrangements;
 - early retirement on compassionate grounds;
 - flexible retirement;
 - increasing pension and;
 - transfer of service into LGPS 2014.
- 2.4 If exercised, the discretions result in cost for the employer. In some circumstances this cost may be recovered particularly if exercise of the discretion leads to reorganisation after an employee retires as a result of benefiting from discretionary enhancements. Benefit may also arise from the replacement of a retiring employee. The Discretions Policy describes the process of financial assessment in such cases.

3. Outcomes/outputs

- 3.1 The LGPS 2014 legislation and regulations require that the Joint Committee develops a Discretions Policy for the scheme and a policy must be adopted.
- 3.2 The Joint Committee's Policy should, as far as is practical reflect those of the Joint Authorities.

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- 3.3 The flexibility of the organisation's structure and establishment levels is restricted by the infrastructure it operates and the related legislative and best practice frameworks. These restrictions and the associated stability of employment roles within the undertaking should be reflected in financial calculations within the policy, ensuring that the full financial benefit of any discretionary payment is considered.
- 3.3 The Joint Committee is also required to consider which posts should be involved in the decision making process for assessment and the possible release of funds. The draft Policy attached has considered the joint nature of the undertaking and this is reflected in the decision making roles within the Policy.

4. Options available and consideration of risk

- 4.1 Both Authorities' policies are that, by default, they will not utilise any of the discretions. Whilst the Joint Committee may choose to adopt a different position, there is no clear financial or organisational justification for doing so.
- 4.2 The Cornwall and Plymouth policies provide for some flexibility in regard to waiving actuarial reductions for early payment or to allow early release of pension. The Plymouth policy provides for such discretion only on compassionate grounds. Cornwall's Policy provides for an assessment of financial or organisational benefits over the two years following the payment and discretions may therefore be exercised on purely financial grounds or where there is clear organisational benefit.
- 4.2 As the Joint Committee's membership of the LGPS is administered by Cornwall Council, the draft policy attached as Appendix 1 in most regards reflects the stance taken by Cornwall.
- 4.3 Within some Regulations, the policy therefore allows managers to consider a realistic assessment of the financial or organisational benefits to the undertaking, rather than limit consideration purely to those applying because of desperate circumstances.
- 4.3 The proposed policy provides a longer term assessment of the financial benefit to the organisation of certain discretionary payments when compared to Cornwall's Policy. The extension of financial assessments from the two years of Cornwall's policy to three years reflects the generally higher levels of stability of employment within the undertaking and the organisation's incremental pay structure following job re-evaluation. In

Cornwall Council

comparison to the authorities, there is less risk that potential savings would not be realised due to further reorganisation.

- 4.4 As adoption of Cornwall's timeframes would mean that third year savings are not considered in the decision making process, any financial case would be more difficult to achieve. As this would increase the risk that discretions would not be exercised when a saving would otherwise be achieved, the draft TBTF policy has incorporated analysis over a period of three years.
- 4.4 It is not proposed that the policy modifies Cornwall's rigorous approach to any cost/benefit analysis and no increased risk exists in this regard.
- 4.4 Both authorities provide specific postholders within the Council with decision making responsibilities. It is felt that the given that the policy is specific to the undertaking and the organisation's joint nature, the decision makers should hold posts that are employed by the Joint Authorities. It is proposed that the General Manager and Business Manager undertake the roles ascribed to various Officers within the two authorities with senior officers in both Councils being required to approve applications of a discretion which involves significant initial costs.
- 4.5 Any risk associated with the two decision making postholders assessing their own post, can be removed by requiring the involvement of senior Officers of the Joint Authorities. The proposed Policy takes this approach.
- 4.6 Staff side consultation has reduced the risk of any dispute associated with the policy.

5. Proposed Way Forward

- 5.1 It is proposed that the attached draft policy, based on the Cornwall model is recommended to both authorities.
- 5.2 Any proposal which deviated from the stance taken by Cornwall Council that there must either be specific benefit to the organisation from exercising discretions or that they are exercised on compassionate grounds would be difficult to justify and it is proposed that the Joint Committee follow this general position. The draft policy reflects this position.
- 5.3 The draft policy proposes that the appropriate Directors in the Joint Authorities review and approve any proposal to apply a discretion which involves initial costs of £50,000 or more.

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- 5.3 The draft policy proposes that the appropriate Directors in the Joint Authorities determine any discretion for the General Manager post and that the General Manager consults the Directors in regard to any discretion for the Business Manager.

6. Implications

Implications	Relevant to proposals Y/N	
Legal/Governance	N	There are no legal implications arising directly from this report as it is in keeping with the 2014 Regulations and the discretions adopted in accordance with these Regulations.
Financial	Y	Exercise of non-compassionate discretions under LGPS 2014 will result in short term costs and budgetary impact which would usually be recovered in future financial years.
Risk	Y	Failure to adopt a policy would leave the organisation open to claims given that LGPS 2014 regulations do not provide a default position to be adopted if no policy in relation to discretions is adopted.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None.
Safeguarding		N/A
Information Management		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		None

Supporting Information

Cornwall Council**Appendices:**

Appendix 1 Draft Tamar Bridge and Torpoint Ferry LGPS 2014 Discretions Policy

Background Papers:

None

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

Final report sign offs	This report has been cleared by OR not significant/not required	Date
Legal (if significant/required)	Simon Mansell	24.11.14
Finance Required for all reports	Andy Brown	26.11.14
Equality and Diversity	not required	

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**TAMAR BRIDGE AND TORPOINT FERRY
JOINT COMMITTEE: DRAFT MINUTE 30 OF 5
DECEMBER 2014**



**LOCAL GOVERNMENT PENSION SCHEME 2014 DISCRETIONS POLICY
(minute 30)**

The Business Manager presented the written report setting out a proposed Local Government Pension Scheme Draft Discretions Policy for Tamar Bridge and Torpoint Ferry staff as required by the Local Government Pension Scheme 2014. He explained that the schemes currently operated by the joint authorities were incompatible and the proposed Tamar Bridge and Torpoint Ferry scheme had been largely based on the Cornwall Council model as that authority administered the Pension Fund. He highlighted the areas where it was proposed that discretion could be applied and emphasised that discretionary applications with significant financial implications would require the approval of senior officers from both joint authorities.

In response to Members' questions with regard to developing strategy in respect of Cornwall Council's affiliated companies, officers advised that the Joint Committee was required to have a pensions discretion policy in place irrespective of whether or not it was deemed to be the employer.

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

**RESOLVED TO RECOMMEND TO THE CABINETS AND FULL COUNCILS OF
CORNWALL AND PLYMOUTH CITY COUNCILS:-**

That the Discretions Policy as appended to the report, be approved.

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PLYMOUTH CITY COUNCIL

Subject:	Pay Policy Statement 2015/16
Committee:	City Council
Date:	26 January 2015
Cabinet Member:	Councillor Peter Smith
CMT Member:	Tracey Lee (Chief Executive)
Author:	Emma Rose, Head of Health, Safety and Wellbeing
Contact details:	Email: emma.rose@plymouth.gov.uk Tel: 01752 312571
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

Under Section 38 and 39 of the Localism Act 2011, the Council is required to approve a statement on the remuneration of staff by 31 March 2015.

The statement, which is prescribed in terms of content, sets out the Council's policies in respect of remuneration. There are no proposed changes to policies; the statement is simply a summary of the key provisions as required by the Localism Act. The Council is therefore not being asked to approve the policies, but simply approve the statement which sets out existing policies.

To address low pay, the Council has introduced the Living Wage, by adding a discretionary, non-contractual market supplement topping up to £7.65 per hour (current rate) and the Council is recommended to apply for Living Wage accreditation to recognise the action taken.

The Brilliant Co-operative Council Corporate Plan 2013/14 – 2016/17:

The production of the pay policy statement is a statutory requirement, which demonstrates value for communities and enhances the transparency of staff remuneration. This statement also supports the stated outcome in the corporate plan that we use our resources wisely

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

There are no increased risks or resource implications as a result of setting and publishing this statement. It confirms what is in place.

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

None arising directly from this report.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No, the scope of the Pay Policy Statement remains the same as for previous years.

Recommendations and Reasons for recommended action:

The City Council –

- (1) approves the Pay Policy Statement 2015/16;
- (2) applies for Living Wage accreditation

Reasons

As set out in the report.

Alternative options considered and rejected:

None, this statement is a statutory requirement.

Published work / information:

Annual Statement of Accounts

<http://www.plymouth.gov.uk/homepage/councilanddemocracy/aboutus/budgetfinances/accounts.htm>

Localism Act 2011

<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

Background papers:

None

Sign off:

Fin	djn l 415. 30	Leg	lt/22 009	Mon Off	DVS 7194	HR	HR- CSI 3.01. 15	Assets		IT		Strat Proc	
Originating SMT Member: Chris Squire													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 BACKGROUND

- 1.1 Under Section 38(1) of the Localism Act 2011 the Council is required to prepare a pay policy statement each financial year. This first pay policy statement was approved for 2013/14. This statement must be approved by the City Council. The provisions of the Act do not apply to local authority schools.
- 1.2 Approved pay policy statements must be published on the Council's website as soon as reasonably practicable after being approved. The Act also requires that the Council include in its pay policy statement its approach to the publication and access to information relating to the remuneration of chief officers. In previous years, this data has been contained within appendices of the pay policy statement. It has also been available elsewhere, including within the annual statement of accounts. In support of improvements in transparency, and mindful of additional requirements of the Local Government Transparency Code 2014, the Pay Policy Statement 2015/16 signposts the reader to a central point of information on the Plymouth City Council website for remuneration data.
- 1.3 Section 38(1) of the Act also requires the Council to set out its policy on remuneration for its highest paid staff alongside its policies towards its lowest paid employees. For the Pay Policy Statement for 2013/14, this relationship was at a ratio of 1:14. This was reduced to 1:10 by 2014/15 and has been maintained at that level.
- 1.4 When setting pay policy statements, the Council must have regard to any guidance issued by the Secretary of State. In February 2012 guidance was published under section 40 of the Localism Act. Supplementary guidance was published in February 2013. Due regard was given to that guidance in the preparation of this policy.
- 1.5 The policy statement must be approved by a resolution of City Council before it comes into force. Once in force it must be complied with, although it may be amended by full Council during the financial year. It must always be published on the Council's website as soon as reasonably practicable after approval or amendment.
- 1.6 The following document sets out the proposed pay policy statement for Plymouth City Council in 2015/16.

PAY POLICY STATEMENT

2015 - 2016



1.0 CONTEXT

- 1.1 As a co-operative council, Plymouth City Council wishes to provide a transparent and fair approach to rewarding our employees through our pay, terms and conditions and benefits offered to our staff.
- 1.2 The Council is required to set out a Pay Policy Statement under sections 38 and 39 of the Localism Act 2011. The Act prescribes the information and format required for the Pay Policy Statement.
- 1.3 The statement must be approved by a resolution of the Council before it comes into force for the relevant financial year. Amendments may be made by resolution of the Council during the financial year.
- 1.4 When approved by the Council, this policy statement will come into immediate effect for the 2015/16 financial year and will be subject to review again for 2016/17 in accordance with the relevant legislation prevailing at that time.
- 1.5 In 2013 we published our corporate plan in which we set out our vision, objectives, outcomes and values. Our ambition is to become a brilliant co-operative council and deliver our priorities for the city despite a projected £64.5 million funding gap caused by Government cuts, rising costs and increasing demand for services.
- 1.6 As a broad principle, the Council adopts the terms and conditions of employment for Chief Officers that apply to NJC staff (Green Book) and the local variations as set out in the Plymouth Book.
- 1.7 Under the Council's Standing Orders and Constitution, we have set out a requirement for all posts to be fairly evaluated to determine their salary levels within our agreed structures. All staff must be appointed on merit, through fair, transparent and objective processes.
- 1.8 The Council's Chief Executive, as the Head of Paid Service, is responsible for ensuring the Council meets its duties for appointment on merit, the terms and conditions of employment, compliance with the Council's Standing Orders for the appointment and remuneration of staff and with the requirements set out in the Local Government and Housing Act 1989.
- 1.9 The Head of Paid Service (Chief Executive) is accountable to the Council for the discharge of her duties.
- 1.10 For the purposes of this Pay Policy Statement, all references to Chief Officer includes Deputy Chief Officers. These are roles that report directly to a Chief Officer, apart from clerical and administrative posts.

2.0 INFORMATION

- 2.1 The Council's Chief Officer Structure is set out within the Constitution of the Council and the Constitution is updated with any changes to statutory posts.
- 2.2 All statutory roles are designated within the Chief Officer structure.
- 2.3 Chief Officer grades and salary are determined using the Hay Evaluation criteria.
- 2.4 For the purposes of this Pay Policy Statement, the Council is required to define and set out the reasons for the definition of the lowest paid employee (see 3.1). The Council's pay and grading structure is set out in Appendix One.

3.0 FAIR PAY

- 3.1 The lowest paid worker is defined as those on the lowest spinal column point of Grade A, which is the Council's lowest pay grade (excluding apprentices). From 1 January 2015 to 31 March 2016, the remuneration of a Grade A (the lowest paid employee) is £13,500 (£16,213.5 inclusive of current pension on-costs). To address the low pay, the Council has introduced the Living Wage, by adding a discretionary, non-contractual market supplement topping up to £7.65 per hour (current rate). The FTE pay for the lowest paid worker is therefore £14,759 based on our standard working week of 37 hours. (£17,725 inclusive of current pension on-costs). This will uplift all employees on spinal points 5 to 10 (Appendix One) to a Living Wage rate.¹

This places the value ratio between the lowest paid and highest paid employee at 1:10, which is a significant reduction from 2012 when the ratio was 1:14.

- 3.2 The Council evaluates Chief Officer roles through a defined evaluation method (Hay) to ensure parity and consistency of evaluation within the Council's pay and grading structures.
- 3.3 Senior officer posts outside the Chief Officer Structure, but earning in excess of £50,000 are published as part of the Council's access to public information within the annual accounts.

4.0 CHIEF OFFICER PAY

- 4.1 This section sets out the Council's policy in relation to Chief Officer remuneration and benefits as set out in the Localism Act 2011.
- 4.2 Levels and elements of remuneration for each Chief Officer:
 - 4.2.1 Each Chief Officer will receive a basic salary as defined by the Council's pay and grading structures commensurate with their level of responsibilities.
 - 4.2.2 Each Chief Officer role will be graded using the Hay Job Evaluation methodology based on the published Role Profiles and organisational structures.
 - 4.2.3 Each Chief Officer will receive the same terms and conditions of employment as set out in the Plymouth Book for NJC (Green Book) employees.

¹ Living Wage rate has increased to £7.85. It is anticipated to implement the new rate from April 2015.
Final V6 13 January 2015

4.2.4 Market supplements and additional payments for Chief Officers will be time limited to a maximum of two years from their commencement. The terms of additional payments (not including relocation expenses) will be agreed by the Appointments Panel, including the application of Market Factor Supplements.

Extensions beyond two years will also require the approval from Appointments Panel and will be reported as an exception to the Council's published Pay Policy Statement.

4.3 Recruitment and remuneration on engagement of Chief Officers

4.3.1 Chief Officers will be remunerated at the evaluated grade for the role on commencement of service.

4.3.2 As required by law, the appointment and remuneration of Chief Officers is determined by the Council Members through the Appointments Panel.

4.4 Increases and additions to remuneration for each Chief Officer

4.4.1 The Council will review each role profile and remuneration of Chief Officers prior to any recruitment or at the creation or substantive change to the existing role.

4.4.2 Increases to pay for Chief Officers will occur through any national pay award to JNC for Chief Officers.

4.4.3 Chief Officers are appointed on spot salaries. There is no spine point progression for Chief Officers.

4.5 Performance-related pay (PRP) for Chief Officers

4.5.1 There is no performance-related pay scheme for Chief Officers. Chief Officers are subject to an annual appraisal of performance.

4.6 Bonuses for Chief Officers

4.6.1 There is no performance-related pay scheme for Chief Officers.

4.7 Chief Officer pay on termination of contract or end of office

4.7.1 Chief Officers will receive their contractual entitlement for termination payments. These entitlements are the same for NJC staff (Green Book). Where the Council is terminating the contract of employment, pay in-lieu of notice (PILON) or paid leave may be granted by the Assistant Director for Human Resources and Organisational Development.

4.7.2 Redundancy pay for Chief Officers is calculated at the statutory minimum.

4.7.3 Chief Officers may only be dismissed by a panel of Members (Councillors) within the Council's usual policies and procedures for disciplinary and dismissal.

4.8 Benefits in Kind

4.8.1 Chief Officers do not receive any benefits in kind. Any benefits, gifts or hospitality must be properly authorised and recorded in accordance with the Officer's Code of Conduct.

4.9 Charges, fee and professional registrations

4.9.1 Professional fees and charges will be made on behalf of statutory officers and deputy statutory officers in respect of their requirement to be registered to practice with the relevant body.

4.10 Increases and enhancement to pension entitlement

4.10.1 The Council's Chief Officers are entitled to become members of the Local Government Pension Scheme (LGPS). Payments and entitlements are subject to LGPS Regulations.

4.10.2 The Council does not enhance pensions or provide added-years to Chief Officers beyond their basic entitlements.

4.10.3 Pension strain costs are borne by the Authority on the redundancy of a Chief Officer in line with all other employees. The Council policy limits the maximum cost of redundancy and pension strain to a maximum of three times the annual salary for payback. Any situation likely to exceed this amount will be resolved by the Council's Appointments Panel at the point of dismissal.

4.11 Other amounts payable

4.11.1 There are currently no other entitlements for additional payments for Chief Officers. The award of other payments with the Council's pay policies will be agreed with the Appointments Panel.

4.12 Chief Officer Policies

4.12.1 Policies adopted for application to the NJC staff (Green Book) will apply to Chief Officers with the exception of matters related to non-executive functions of the Council in relation to Chief Officers such as appointment, investigations and disciplinary action, employment appeals and dismissal.

4.13 Terms and conditions

4.13.1 Chief Officer terms and conditions will mirror those for NJC staff (Green Book). No more or less favourable terms or treatment shall be afforded to Chief Officers in respect of terms and conditions of employment.

4.14 Superannuation (Employer's pension contribution)

4.14.1 The rate of superannuation contributions is determined by the Local Government Pension Scheme Regulations.

4.14.2 Superannuation payments are made by the employer into the Local Government Pension Scheme (LGPS). The rate of contribution is defined by the LGPS and is applicable to all employees (including chief officers). The Local Government Pension Scheme Regulations 2014 will be introduced from 1 April 2014. There will be 9 employee contribution bandings between 5.5% and 12.5%. The indicative employer contribution rate from 1 April 2014 will be increased to 20.1%, from 19.4%.

The contribution rate is made up of two elements – A Future Service Rate of 13.7% and a notional Past Deficit Recovery rate of 6.4%. The PDR is equivalent to a cash shortfall PCC must pay to the fund to cover our deficit. To truly represent the pension costs of the individuals, 13.7% is the cost of their ongoing pension provision. The previous rate used 19.4% was split 14.3% / 5.1%.

4.15 Returning Officer Fees

4.15.1 The designation and duties of the Returning Officer and Electoral Registration Officer are independent of the Council. Officers undertaking these duties may claim for the appropriate allowance. The Council will designate the officer for these purposes.

5 STAFFING RESOURCES

5.1 The Council uses the following different staffing resources:

- a) Permanent staff on the establishment
- b) Temporary fixed term contracts to fill posts on the establishment
- c) Interims employed through service contracts to fill posts on the establishment
- d) Interims where there is no established post. For example, where temporary specialist skills are needed to undertake a time limited complex project.

6 REMUNERATION OF INTERIM AND TEMPORARY STAFF

6.1 Where interim resources are determined to be required for a specific role within the Council, a procurement process is followed. Typically sourcing is carried out through the Managed Supplier arrangements provided by the Council's procured supplier, through UK Government Framework contracts tendered through OJEU processes, other OJEU compliant frameworks, or Council standard low value procurement processes. Procurement Officers are fully involved in these processes.

6.2 When interim staff are required for a role, the costs of these are subject to competitive marketplace processes. HR/Procurement staff are fully involved and aware of all interim appointments in order to assure quality.

7 CHIEF OFFICER APPOINTMENTS PANEL

- 7.1 The Chief Officer's Appointments Panel has responsibility for the appointment and remuneration of Chief Officers except where there is specific delegation otherwise through Council. The Council will aim to pay for these services at a rate as close as possible to total employment costs of directly employed staff performing a comparable role, given prevailing market conditions.
- 7.2 Where the Chief Officer's Appointments Panel make a temporary or interim appointment to an established post, then the appointing person or body will have discretion to settle remuneration in line with current market factors.
- 7.3 For other posts where the Council requires an interim resource, which is not a Chief Officer, which may or may not be on the establishment, the Council will aim to pay for these services at a rate of pay as close as possible to total employment costs of directly employed staff performing a comparable role, given prevailing market conditions. However, the appointing person will have discretion to settle salary or fees in line with current market factors. Any such arrangements require authorisation from the Head of Paid Service, Assistant Director for HR and Organisational Development and Assistant Director for Finance.

8 CONTRACT FOR SERVICES

- 8.1 On occasion it will be more appropriate to engage interim staff through the use of a contract for services. Unlike staff employed under contracts of employment, the relevant guidance from the Department for Communities and Local Government does not require such appointments to be approved by Council. However, where such posts are classified as Chief Officers for pay policy purposes, those posts should appear on the Pay Policy Statement. To ensure that the Council is open and transparent it is proposed to provide details of any such contract where the daily rate equivalent paid by the Council to the contractor (and excluding procurement costs) exceeds £500 per day for duration of more than three months.

9 PUBLICATION

- 9.1 Upon approval by the Council, this statement will be published on the Council's Website and will also be available in additional formats by request.
- 9.2 Chief Officer remuneration (actual payments) will be reported in the Council's Annual Statement of Accounts.
- 9.3 Payments in respect of the use of interim management services are also available in the Annual Statement of Accounts where the daily rate equivalent paid by the Council exceeds £500 per day for more than a period of three months. These payments include all agency fees, and exclude VAT.
- 9.4 In addition, for employees where the full time equivalent salary is £50,000 or more, excluding employer superannuation contributions, the Councils Annual Statement of Accounts will include the number of employees in bands of £5,000.
- 9.5 The Annual Statement of Accounts can be found here:
<http://www.plymouth.gov.uk/homepage/councilanddemocracy/aboutus/budgetfinances/accounts.htm>

APPENDIX ONE

Pay and grading structure post pay review

NJC for Local Government Services - Pay Rates January 2015 to March 2016

Grade	SCP	FTE Salary 01/01/2015 to 31/03/2016	Hourly Rate	Living Wage Supplement from 01/01/2015 (£7.65) ²
A	5	£13,500	£6.9974	Y
A	6	£13,614	£7.0565	Y
A	7	£13,715	£7.1088	Y
A	8	£13,871	£7.1897	Y
B	9	£14,075	£7.2954	Y
B	10	£14,338	£7.4317	Y
B	11	£15,207	£7.8822	
B	12	£15,523	£8.0460	
B	13	£15,941	£8.2626	
C	14	£16,231	£8.4129	
C	15	£16,572	£8.5897	
C	16	£16,969	£8.7955	
C	17	£17,372	£9.0043	
C	18	£17,714	£9.1816	
D	19	£18,376	£9.5247	
D	20	£19,048	£9.8731	
D	21	£19,742	£10.2328	
D	22	£20,253	£10.4976	
D	23	£20,849	£10.8066	
E	24	£21,530	£11.1595	
E	25	£22,212	£11.5130	
E	26	£22,937	£11.8888	
E	27	£23,698	£12.2833	
F	28	£24,472	£12.6845	
F	29	£25,440	£13.1862	
F	30	£26,293	£13.6283	
F	31	£27,123	£14.0585	
G	32	£27,924	£14.4737	

² Rate has increased to £7.85 and is anticipated to be implemented from April 2015

G	33	£28,746	£14.8998
G	34	£29,558	£15.3207
G	35	£30,178	£15.6420
H	36	£30,978	£16.0567
H	37	£31,846	£16.5066
H	38	£32,778	£16.9897
H	39	£33,857	£17.5489
H	40	£34,746	£18.0097
I	41	£35,662	£18.4845
I	42	£36,571	£18.9557
I	43	£37,483	£19.4284
I	44	£38,405	£19.9063
I	45	£39,267	£20.3531
I	46	£40,217	£20.8455
J	47	£41,140	£21.3239
J	48	£42,053	£21.7971
J	49	£42,957	£22.2657
J	50	£43,859	£22.7332
J	51	£44,775	£23.2080
J	52	£45,695	£23.6849
K	53	£46,633	£24.1711
K	54	£47,556	£24.6495
K	55	£48,463	£25.1196
K	56	£49,473	£25.6431
K	57	£50,383	£26.1148
L	58	£51,302	£26.5911
L	59	£52,213	£27.0633
L	60	£53,124	£27.5355
L	61	£54,032	£28.0062
L	62	£54,949	£28.4815

Previous years pay data for all employees (including interims) can be found in our Statement of Accounts:
<http://www.plymouth.gov.uk/homepage/councilanddemocracy/aboutus/budgetfinances/accounts.htm>

PLYMOUTH CITY COUNCIL

Subject: Appointment of Deputy Electoral Registration Officer
Committee: City Council
Date: 26 January 2015
Cabinet Member: Councillor Peter Smith
CMT Member: Tracey Lee (Chief Executive)
Author: Nigel Spilsbury (Electoral Services Manager)
Contact details Tel: 01752 304861
email: nigel.spilsbury@plymouth.gov.uk
Ref: E 3/REG
Key Decision: No
Part: I

Purpose of the report:

The City Council has a statutory duty to appoint an officer to act as Electoral Registration Officer. The council does not currently have a Deputy Electoral Registration Officer.

However, should the Electoral Registration Officer be absent for a period there may be a need for a deputy to act in her place. This report recommends that a deputy be appointed.

The Brilliant Co-operative Council Corporate Plan 2013/14-2016/17:

This report complies with statutory obligations and requirements and supports our co-operative value of being democratic and our pioneering Plymouth objective.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

There are no financial implications.

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

None directly linked to the report.

Equality and Diversity

In preparing this report and the recommendations, due regard has been given to public sector equality.

Recommendations and Reasons for recommended action:

Recommendation

The council appoint the Assistant Director and Head of Legal Services, David Shepperd, as the Deputy Electoral Registration Officer with full powers.

Reason for recommended actions:

To act in the absence of the Elector Registration Officer in all such matters.

Alternative options considered and rejected:

None

Published work / information:

The Representation of the People Act 1983: www.legislation.gov.uk/ukpga/1983/2

Background papers:

None

Sign off:

Fin	CDR/CorpsF mc1415.29	Leg	DVS 7162	Mon Off	DVS 7162	HR		Assets		IT		Strat Proc	
Originating SMT Member: David Shepperd (Assistant Director and Head of Legal Services)													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Introduction

- 1.1 The City Council has a statutory duty under section 8(2)(a) of the Representation of the People Act 1983 to appoint an officer to act as Electoral Registration Officer. The Electoral Registration Officer is the Chief Executive – Tracey Lee. This is a statutory appointment require under legislation.

2.0 Deputy Electoral Registration Officer

- 2.1 The Electoral Registration Officer is responsible for the preparation and maintenance of the Electoral Register and for the supply of registers and absent voters list to candidates and election agents for Plymouth. The council does not currently have a Deputy Electoral Registration Officer.
- 2.2 However, should the Electoral Registration Officer be absent for a period there may be a need for a deputy to act in her place. In accordance with section 52(2) of the Representation of the People Act 1983 the appointment of a Deputy Electoral Registration Officer requires a decision by the City Council. This report recommends that a deputy be appointed with full powers.
- 2.3 The Assistant Director and Head of Legal Services, David Shepperd, is willing to undertake this role and it is recommended that he be appointed as Deputy Electoral Registration Officer. The Assistant Director has considerable experience of the statutory duties touching registration and elections, having been previously appointed to such roles.

Tracey Lee
Returning Officer and Electoral Registration Officer

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