

## CITY OF PLYMOUTH

**Subject:** Tamar Bridge and Torpoint Ferry Joint Committee Minute 71 Revenue Estimates and Capital Programme

**Committee:** City Council

**Date:** 28 February 2011

**Cabinet Member:** Councillor Wogens

**CMT Member:** Director for Development and Regeneration

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**Ref:** CP/TBTFJC

**Key Decision:** No

**Part:** I

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### Executive Summary:

The Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC) has introduced a business plan led approach to decision making during the current financial year in preparation for 2011/12 onwards, and combined with improved reporting procedures back through the two authorities (Plymouth City Council and Cornwall Council) this is helping to ensure that future financial decisions are suitably robust.

The 2011/12 revenue and capital accounts for the TBTFJC were recommended by the TBTFJC at their meeting on the 3rd December 2010.

In recommending approval of the capital programme, the TBTFJC make specific reference to two capital schemes for the following reasons:

- i) New bridge office development: This has yet to be justified through a detailed business case and cannot be signed off until the business case demonstrates the need and value of such a development.
- ii) Funding for footpath 24 was originally approved by the TBTFJC with part funding to be provided by a 3rd party development. The cost of the scheme is to be born by the capital programme.

Good progress continues to be made in improving the financial and operational management of the undertaking. However, the current wider financial climate requires all decisions on future expenditure to be carefully scrutinised to reduce any future risks to both the TBTFJC and the two authorities of a shortfall in revenue should future toll increases not be forthcoming.

It is therefore recommended that officers be instructed to continue to regularly review revenue estimates and the capital programme during 2011/12 in preparation for the 2012/13 budget to maximise efficiencies and reduce risks around future toll requests. Part of the review will include an assessment of the appropriate level of reserves which has not increased since the implementation of the last Toll revision.

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## **Corporate Plan 2010 – 2013 as amended by the four new priorities for the City and Council:**

The provision of safe and reliable transport corridors into the City supports the Growth agenda by enabling the wider economic benefits of the City to extend into the travel to work area.

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

Whilst the operation of the Tamar Bridge and Torpoint Ferry undertaking is able to recover costs through the use of tolls, this income must be ring-fenced to the undertaking only, and the level of toll must be evidenced by the actual and reasonable costs of operating the undertaking.

If for whatever reason a toll increase is not approved, any shortfall in finances could fall back on the two local authorities.

It is therefore imperative that suitable financial and operational management is undertaken to forecast costs and that robust evidence exists to justify any future toll increase.

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### **Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

The TBTF undertaking represents a significant asset of the two authorities.

Failure to manage its operation appropriately not only increases the risk of operational failures, causing delays and inconvenience to users, but could increase financial liabilities upon the two authorities.

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### **Recommendations & Reasons for recommended action:**

- A) To accept the three recommendations of the Tamar Bridge and Torpoint Ferry Committee as follows:
- 1) That the proposed revenue budget for 2011/12 as set out in Appendix 1 to the officer report, be approved.
  - 2) That the proposed revenue capital programme as set out in Appendix 2 to the officer report be approved, including provision for a possible bridge office development subject to a satisfactory business case, and subject to approval of expenditure in relation to Footpath 24, Saltash as set out in the report of the General Manager (Agenda Item No.5).
  - 3) That the longer term revenue forecast to 2014/15 be noted, including the assumption that approximately £600,000 income will be required from a toll increase at the beginning of 2014/15 based on the current level of reserves.
- B) To request officers to assess the level of reserves required, to continue to regularly review the revenue estimates and the capital programme during 2011/12 in preparation for the 2012/13 budget to maximise efficiencies and reduce risks around future toll increase requests prior to presentation to appropriate Joint Committee Meetings.

**Alternative options considered and reasons for recommended action:**

*Not accept the TBTFJC recommendations: Rejected*

The recommendations of the TBTFJC respond to the new business plan led approach to management of the undertaking and maintain operational continuity during this period of transition.

*Not add a further recommendation: Rejected*

It is important that the TBTFJC, via its officers responds to the current financial climate by robustly challenging all future financial expenditure during the coming 12 months to inform future years budget allocations.

### Background papers:

Tamar Bridge and Torpoint Ferry Minutes 03 December 2010  
Business Plan 2011 - 2015

**Sign off:**

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Originating SMT Member											