

PLYMOUTH CITY COUNCIL

Subject: Tamar Bridge and Torpoint Ferry Joint Committee: Revenue Estimates and Capital Programme 2012/13 – 2015/16 (revised report)

Committee: City Council

Date: 30 January 2012

Joint Chair: Councillor Martin Leaves

CMT Member: Director of Place and Director of Corporate Services

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Ref:

Key Decision: No

Part: 1

Executive Summary:

The current reserves balance of the TBTF budget stands at over £2M and is projected to run down to £381K by financial year 2015/16. This is based on a number of assumptions including the traffic flow reduction in 11/12 of 5.5%, to be built into future years' budgets.

An Officer/member workshop was held on the 11th November 2011 to discuss the current levels of reserves on the Tamar Bridge and Torpoint Ferry. The objective was to review current levels of reserve as this will impact on the timing of the next toll revision.

Officers have set up a series of workshops to further analyse income streams to support various options. The first of these is scheduled for February 2012 and will provide the opportunity to review all options on managing reserves and assessing income options. The review will allow adequate time for the committee to agree the appropriate level of action in the future and ensure the cost of the operation does not fall upon the host authorities' budget.

Corporate Plan 2011 – 2014:

Providing a safe and well-maintained road network contributes to the economic well being of the City in support of the Growth priority.

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

In the short term the undertaking has the capacity to reduce the current concessions (no addition approval is required for this) and thereby generate additional income. This will provide sufficient funds to support the business over the next two financial years if traffic flows continue to decrease.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

A risk register and mitigation measures are included in the Tamar Bridge and Torpoint Ferry Business Plan 2011 to 2015.

It also should be noted that Cornwall Council, PCC and the Highways Agency have reviewed the TBTF Business Plan and are content that business continuity risks associated with the TBTF are adequately covered.

Recommendations & Reasons for recommended action:

It is recommended that:

- i) The ongoing work of the Member/Officer workshops on budget forecast issues are noted and that the preferred option be reported to Cabinet prior to any decision being made.
- ii) The Revenue and Capital budgets for 2012/13, proposed by the Tamar Bridge and Torpoint Ferry Joint Committee are approved by the Council.
- iii) That all schemes included in the capital programme beyond 2013 are submitted to Cabinet supported by robust business cases.

Alternative options considered and reasons for recommended action:

The committee has reviewed the current levels of reserve as this will impact on the timing of the next toll revision. Further workshops are arranged to review further options.

Background papers:

Tamar Bridge and Torpoint Ferry Joint Committee, 02 December 2011, Agenda 4.3, 2012/13 to 2015/16, Revenue Estimates and Capital Programme

Tamar Bridge and Torpoint Ferry Business Plan 2011 to 2015

Sign off:

Fin	DJN 111 2.02 2	Leg	1374 5/D VS	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member											

Tamar Bridge Joint Committee 12/13 Budget

- I.0 The current reserves balance of the TBTF budget stands at over £2M and is projected to run down to £381K by financial year 2015/16. This is based on a number of assumptions including the traffic flow reduction in 11/12 of 5.5%, to be built into future years budgets.
- I.1 An Officer/member workshop was held on the 11th November 2011 to discuss the current levels of reserves on the Tamar Bridge and Torpoint Ferry. The objective was to review current levels of reserve as this will impact on the timing of the next toll revision.
- I.2 Officers have set up a series of workshops to further analyse income streams to support various options. The review will allow adequate time for the committee to agree the appropriate level of action and ensure the cost of the operation does not fall upon the host authorities' budget.
- I.3 Staffing budgets are due to increase in 12/13 for a variety of reasons. This allows for a potential pay award of 2%, although this may be needed to be considered following the outcome of the planned for February workshop. Additional budget would also be required on the impact of the shift environment for lower paid workers. There is also a need to recruit additional staff within the Bridge Control Room.
- I.4 The capital programme beyond 2012/13 includes elements that, whilst prudent to be included for future budget profiling purposes at this stage, have yet to be subjected to a full business case appraisal. Therefore, future year's capital spend is not agreed at this stage and will be informed by a full and thorough business assessment.
- I.5 A review on the cost of Bridge & Ferry operations with a view to driving out efficiencies is due to be discussed with Officers and members.
- I.6 The tolls are scheduled to increase in 2014/15 – although this will be subject to the outcomes above.

It is recommended that:

- I. The ongoing work of the Member/Officer workshops on budget forecast issues are noted and that the preferred option be reported to Cabinet prior to any decision being made.
- II. The Revenue and Capital budgets for 2012/13, proposed by the Tamar Bridge and Torpoint Ferry Joint Committee are approved by the Council.
- III. That the three further additional schemes included in the capital programme beyond 2013 are submitted to Cabinet supported by robust business cases.