

PLYMOUTH CITY COUNCIL

Subject: Tamar Bridge and Torpoint Ferry
Bridge Office Development

Committee: Cabinet

Date: 21 October 2014

Cabinet Member: Councillor Coker

CMT Member: Anthony Payne (Strategic Director for Place)

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Ref:

Key Decision: Yes

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 each Cabinet to approve major items of capital expenditure as part the capital programme and recommend a budget provision to Council.

The current bridge office facilities are over 50 years old and becoming life expired. Over the years operational requirements have changed significantly and officers have adapted working practices to meet the new demands of the service and have endeavoured to accommodate new equipment and services within the space available, including use of the building basement that was not designed for this purpose. These changes have been ad-hoc and the resultant patchwork of systems, combined with overall lack of space has created an inefficient and poor working environment. Access for the public is restricted and does not meet current legislative standards.

Of most concern is the placement and vulnerability of the electrical and electronic equipment and services within the building. A mechanical and electrical engineers report identified serious shortcomings in much of the critical equipment and systems and they threaten to compromise the resilience of the undertaking preventing it from meeting its core objectives of providing safe, reliable and efficient crossings of the Tamar.

At the TBTFJC meeting in September 2014 a report and business case outlining the proposals for the bridge office development was presented to Members, and TBTFJC unanimously supported the proposals. This report requests that Cabinet endorses the TBTFJC's proposal and recommends to full Council that the bridge office development project is added to the capital programme with a budget of £3.33 million.

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 – Capital will be funded from prudential borrowing, with annual costs funded from TBTFJC revenue (toll income). Funding part of the project from TBTFJC reserves will also be considered.

Human – The project will be managed by TBTFJC officers with support from external professional services such as architects and M&E consultants.

IT – Systems will be upgraded and transitional arrangements have been identified as a key factor in the success of the project.

Land – The proposed development will be within the boundaries of land jointly owned by the two parent authorities.

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 2013-2017.

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.

The current organisational risk register has identified a number of strategic and operational risks relating to service delivery. The Bridge Office Development project would address these risks and support the organisations core objectives.

Health and Safety - Issues will be addressed as part of the detailed design process and project management procedures. The projects will improve emergency responses, accessibility, security issues, building fire risk and lone working issues.

There are no child poverty or community safety implications.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes, as part of the business plan for the proposed project.

The proposal addresses current access restrictions for staff and the public, and will ensure compliance with the Equality Act.

Recommendations and Reasons for recommended action:

That the Cabinet endorses the proposal and recommends to Full Council that Bridge Office Development project is added to the capital programme with a budget of £3.33 million.

The bridge office development will address identified significant resilience issues and will ensure that the undertaking continues to meet its core objectives of providing safe, reliable, efficient crossings of the river Tamar.

Alternative options considered and rejected:

The following options were considered –

Do nothing – this was not considered viable given the existing risks and resilience issues.

Temporary works within the exiting footprint of the building – this option was not considered viable as it would not fully mitigate the existing risks and resilience issues and a new facility would still be required in the medium term.

Published work / information:

Tamar Bridge & Torpoint Ferry Joint Committee report, 12 September 2014, pages 126 – 152

<https://democracy.cornwall.gov.uk/documents/s71865/TBTFJC%20Bridge%20Office%20Development%20Report%20v2.pdf>

<https://democracy.cornwall.gov.uk/documents/s71866/BOD%20Business%20case%20v2.pdf>

Background papers:

None

Sign off:

Fin	PlaceF TC141 5 005/ SRA / 10-10- 2014	Leg	LT 214 14	Mon Off	LT 21 41 4	HR		Assets		IT		Strat Proc	
Originating SMT Member: Simon Dale													
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

- 1.2 The bridge office is over 50 years old and becoming life expired. The external fabric of the structure essentially remains as it was built in the late 1950s and reflects the standards and technology of that era. There are numerous problems with the building making it difficult to maintain and repair.
- 1.3 The layout of external steps and pathways around the building make access difficult and they do not meet current standards particularly in relation to the Equality Act 2010. The internal spaces have been significantly altered on a number of occasions reflecting the changes in operational requirements and the necessity to accommodate additional staff, systems and equipment. Many of the fixtures and fittings are original and have been replaced on an ad-hoc basis when necessary. Internal corridors are narrow, the stairs do not meet current standards and the existing layout makes inefficient use of the limited space available. The basement of the building has been converted to office space and electrical and electronic equipment rooms although it was never designed for this purpose. Original surface water drainage and waste pipes are routed through the basement of the building and are of cast iron construction. Many of the critical electrical systems had to be situated under or in the vicinity of the pipework as there has not been space available to site them anywhere else. This situation is unacceptable and presents a significant risk to undertaking by compromising the resilience of the operation. The current situation means that the office has become gridlocked and while improvements need to be made there is no space available to make the necessary changes.
- 1.4 In 2007 a small extension was added to the rear of the bridge office in order to accommodate the TamarTag customer service centre. The TamarTag scheme has proved very successful and the Customer Service Centre is now managing around three times the volume of accounts that was anticipated at the outset of the scheme. The extension was not designed to cope with the resulting increased levels of staffing.
- 1.5 In 2009, recognising the requirement for additional space, three temporary portakabins were added to the site to create a meeting room, office accommodation for five staff and a storage/workshop area. The portakabins were publicly criticised at that time for being unsightly and for being installed without specific planning consent. A fourth portakabin was added in 2012 to provide welfare facilities for contractors working on the bridge as required under current health and safety legislation.
- 1.6 Also in 2009 the Joint Committee noted a preliminary report outlining options for the development of the bridge office to address current operational constraints and improve facilities for customers and the public in general. The study at that time considered a new and separate building located centrally on the site and potentially catering for a mix of uses including business conferencing, heritage and educational facilities. The capital cost was estimated at £4.6m. The project was not pursued due to other prevailing pressures on income and strategy development and the inadequacies of the existing accommodation remained in terms of structure, maintenance, access and function with 40% of additional floor-space being provided in leased temporary portakabins.

- 1.7 In 2014 a full survey of the current mechanical and electrical (M&E) systems was undertaken. The survey report identified significant shortcomings in much of the equipment and services in the existing building. Consequently systems for protecting the immediate environment (heat control, fire and gas suppression and protection from flooding) are not appropriate or do not meet current standards for a critical control building type environment. The report indicated that these issues present a significant risk to the core operation of the bridge, tunnel and tolling system.
- 1.8 It is important that the issues outlined above are addressed as a matter of priority. The current situation remains unacceptable and is threatening to compromise the resilience and robustness of the operation and may prevent the undertaking sustaining its mission to provide the travelling public with safe, reliable and efficient crossings of the river Tamar.

Organisational Risk

- 1.9 The current organisational risk register has identified a number of strategic and operational risks of which those listed below are relevant to this project. The risks marked with an asterisk will increase from 'medium' to 'high' based on the findings of the M&E survey. Both the probability and severity of each risk will increase until further appropriate mitigation measures have been implemented. The risks affected by the current condition of the existing facilities are as follows –

Strategic Risks

- total or partial loss of bridge through accident or fire*
- total or major information, communication technology failure, including critical CCTV*
- impact of transport initiatives

Operational Risks

- major incident involving utilities*
- suspicious persons/suicides attempts
- failure of the toll collection, IT or telephone system*
- failure of business support systems*
- component failure in tidal flow system*
- incident/accident on the bridge requiring short term full or partial closure
- power failure to premises*
- premises fire resulting in loss/partial loss of facilities*

Outcomes

- 2.0 The bridge office development project will ensure that the undertaking continues to meet its core organisational objective of providing safe, reliable and efficient crossings of the river Tamar by -
- providing suitable facilities, improved resilience and technology to meet operational requirements
 - providing suitable facilities to meet current and forecast front line customer services requirements
 - allowing an effective response to incidents, emergencies and other occurrences
 - providing suitable facilities to ensure that the bridge asset and associated infrastructure are operated and managed appropriately

Options Appraisal

2.1 The feasibility stages of the project investigated a number of options and considered the size and location on any development on the site. The favoured option is for a new construction to the west and linked to the existing building. The decision was based on a range of factors including the following –

- cost
- access
- site topography
- environmental impact
- buildability/continuity of service

2.2 The business case for the preferred option examined the following scenarios -

Scenario A - Do nothing – this was not considered viable given the serious issues outlined above as it would not address the existing risks and resilience issues.

Scenario B - Temporary work within the existing footprint – this option would provide the undertaking with a holding position for perhaps 5-10 years but would still require significant funding in the short term and would not fully reduce the organisation risks outlined above. A new facility would still be required in the medium term.

Scenario C - New facilities – this is the preferred option, supported by a business case outlined below.

Business Case

2.3 The TBTFJC report and business case can be found at -

<https://democracy.cornwall.gov.uk/documents/s71865/TBTFJC%20Bridge%20Office%20Development%20Report%20v2.pdf>

<https://democracy.cornwall.gov.uk/documents/s71866/BOD%20Business%20case%20v2.pdf>

The report and business case are also attached at Appendix A.

2.4 The business case sets out the need to rectify a range of issues and risks in order that the undertaking can sustain the delivery of safe reliable and efficient crossings of the river Tamar into the future. The business case assesses the success of the project in delivering the core requirements of the project, and also in mitigating risks that will otherwise escalate to a high risk situation.

2.5 It is considered that options of doing nothing, or of undertaking some temporary improvements are not viable, as some or all of the risks outlined above will remain borderline 'high risk' with potential to escalate.

2.6 The analysis of operational cost is to some extent nominal, as some significant assumptions need to be made. A conservative approach has been taken in comparing the cost of operating the new development against the operating the existing arrangements with an interim upgrade of the existing shell. That comparison indicates a net additional cost over 25 years of approximately £145,000, taking into account the benefit from photo-voltaic panel electricity production. This equates to an average of less than £6000 per annum over the 25 year period.

This modest difference is considered to be within the level of accuracy of the estimates, and is therefore not critical to the decision.

- 2.7 Therefore the key issue is the balance between risk mitigation and funding the capital outlay for the project. As set out in the business case, the estimated project cost including design, construction and contingency allowances is £3.33 million, and financing the capital and interest would incur annual revenue expenditure of between approximately £289,000 in the year after completion reducing to £145,000 in the 25th year (between 3% and 1.5% of annual turnover).
- 2.8 TBTFJC typically finances major projects by prudential borrowing with annual costs funded from revenue, however partially funding the project from TBTFJC reserves will also be considered.
- 2.9 It must also be recognised that at the end of 25 years the undertaking would be in possession of a valuable asset with at least another 25 years of life, with capital cost paid off.
- 3.0 The tables in Section 7 of the business case examine the benefits achieved by the project and the mitigation of risk. It is considered that the very significant risk mitigation outweighs the revenue payments and secures the resilience of the undertaking into the future.