

Report to:	Tamar Bridge & Torpoint Ferry Joint Committee	
Date:	3rd December 2021	
Title:	2022-2023 Revenue Estimates & Capital Programme	
Portfolio Area:	Transport	
Divisions Affected:	All	
Relevant Scrutiny Committee: Economic Growth and Development		
Authors, Roles and Contact Details:	Jamie Wright, Service Accountant 01872 322109 jamie.wright@cornwall.gov.uk Andrew Vallance, Governance and Finance Manager 01752 361577 andrew.vallance@tamarcrossings.org.uk	
Approval and clearance obtained:		Y/N
Date next steps can be taken		See Parent Authorities Meetings Timetable
For Cabinet and delegated executive decisions only		
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)		N/A
Published in advance on Cabinet Work Programme?		N/A
Urgency Procedure(s) used if 'N' to Work Programme?		N/A

Recommendations:

1. That the Cabinets of the Joint Authorities recommend to their Full Councils that the 2022/23 revenue estimates and capital programme and the draft 2022-23 Business plan, as set out in the appendices to this report, be approved; and
2. the longer term forecast to 2025/26 is noted.

1 Executive Summary

- 1.1 This report sets out for consideration and approval, the proposed revenue estimates (budget) for the Joint Committee for 2022/23 and indicative figures for the subsequent three years 2023/24, 2024/25 and 2025/26, together with the proposed capital programme. The budget is based upon discount and cash tolls being revised by 30% on the schedules laid out in other reports.
- 1.2 The revised forecast reserve position at 31 March 2022 is £1.316m and at March 2023 assuming tolls increase, £1.021m, below the £2m reserve level that has been considered a prudent minimum. Indicatively, future years show that the reserve position increases above the £2.000m reserve level in subsequent years as shown in the table below.

	2021/22	2022/23	2023/24	2024/25	2025/26
Reserve balance at 31st March	£1.316m	£1.021m	£2.037m	£2.461m	£3.292m

2 Purpose of Report and key information

- 2.1 The Tamar Bridge and Torpoint Ferry (TBTF) are operated, maintained and improved jointly by Plymouth City Council and Cornwall Council on a 'user pays' principle, being funded by toll income using powers derived from the Tamar Bridge Act.
- 2.2 In developing the budgets for 2022/23 to 2025/26 set out within Appendix 1, the following inflationary and interest assumptions have been used:

Rates	2022/23	2023/24	2024/25	2025/26
Inflation CPI	3.20%	2.10%	2.00%	2.00%
Inflation RPI	4.00%	2.90%	2.80%	2.80%
Interest (Receivable)	1.00%	1.00%	1.00%	1.00%
Interest (Payable) existing borrowing	4.68%	4.68%	4.68%	4.68%
Interest (Payable) new borrowing	3.38%	3.38%	3.38%	3.38%

- 2.3 The table's final interest rate payable line reflects the revised offer made by Cornwall Council for new loans agreed from 1st April 2019, whilst the previous line represents arrangements prior to that date. It should be noted that the current arrangement means that that interest rates will only be determined when loans are made. As the rate is subject to movement in the general market it is intrinsic to the arrangements that actual rates will vary from those used within forecasts. Loans that predate April 2019 will

continue to be calculated using Cornwall's consolidated rate of interest which will not vary significantly.

- 2.4 The proposed budget is set out in Appendix 1. The variations between the latest 2021/22 forecast and the proposed 2022/23 budget are listed on page 5 of Appendix 1. The 2023/24 to 2025/26 estimates are only indicative.
- 2.5 The more significant items affecting the proposed 2022-2023 budget are as follows:

Corporate

- 2.6 Traffic levels across the bridge is still being impacted from the effect of Covid-19 during 2021/22 and is still circa 90% of pre Covid-19 levels and the income budgets for 2022/23 will be based upon these levels. For the ferries, the traffic levels have recovered quicker and is now running near to 100% of the budgeted pre-Covid-19 levels. The income budgets for 2022/23 for the ferry has been rebased to represent this.
- 2.7 Income from the tolls is forecast to increase by £2.077m compared to the revised 2021/22 budgets. This increase reflects the anticipated schedule for a 30% increase in tolls, with increases applying to discount tag tolls from May 2022 and cash tolls from January 2023 following authority to do so from the parent authorities and Central Government.
- 2.8 As time limited grants, 2021-2022 receipts from the Heritage Lottery Fund and the MHCLG's Covid-19 grants at £0.041m and £0.156m respectively have not been carried forward.
- 2.9 The tag statement budget has been decreased by £0.031m, reflecting savings anticipated with changes to processes that have not yet been possible following delay in completion of the toll system refresh project.
- 2.10 Bank charges have increased by £0.017m to reflect a greater usage of contactless cards at the booths and introduction of card payment facilities at the ferry.
- 2.11 Cost of toll review have been decreased by £0.010m, which reflects a number of costs being incurred in the current 2021-2022 financial year.

Bridge

- 2.12 The revenue budget makes provision for the ongoing maintenance and operation of the bridge and its infrastructure in line with current engineering best practice. The main changes from the previous year are:
 - Employee costs rise by £0.077m, reflecting the anticipated pay award and incremental increases neither of which can be absorbed within the existing establishment.
 - £0.060m increase in toll operation charges, reflecting increased minimum wage rates and a £0.053m increase compared to the current year in relation to tolling equipment as maintenance arrangements for the updated system commence.

- An increase of £0.028m for IT hardware/software which reflects the support charges for extended software and hardware security.
- £0.023m increase in R&M building and Grounds Maintenance.
- An increase of £0.023m for R&M bridge, £0.009m within Bridge and Gantry Inspections and the remainder within the £0.109m R&M – bridge & infrastructure relating to maintenance painting of the bridge structure following the end of the capital recoating.
- Energy budgets have been increased by £0.020m reflecting anticipated ongoing energy increases.
- Breakdown Recovery has increased by £0.017m to reflect market responses to recent tendering.

Ferry

2.13 The revenue budget also makes provision for the ongoing maintenance and operation of the ferries and their associated infrastructure in line with current engineering best practice. The main changes from the previous year are:

- A £0.099m reduction in agency staff, which is associated with the anticipated completion of direct recruitment of multiple maintenance worker vacancies.
- A £0.146m increase in employee costs in part correcting the reduction in current year budget associated with the above vacancies and reflecting the likely level of pay award which cannot be absorbed.
- £0.032m increase in R&M building and Grounds Maintenance, which provides appropriate budgets for essential building maintenance work.
- A minor £0.040m increase in operational expenses and £0.035m increase in office expenses.

Capital

2.14 The proposed capital programme is shown in Appendix 2. Work has been undertaken by officers to assess the current capital programme and the revised estimate for 2021/22 is now anticipated at £5.540m, a decrease of £3.360m. The main changes are:

- reprofile of £0.850m for main cable remedial works into 2022/23 from the current year.
- reprofile of £0.125m Bridge LED lighting into 2022/23 and a reduction in costs of £0.125m following survey of the associated poles.
- reprofile of £0.900m ferry traffic control systems into 2022/23 as the project relies on the engagement of a Ferry Manager.
- reduction of £1.300m in the Bridge resurfacing following savings made in the project and £0.200m reprofiled into 2022/23.

- additional £0.400m for Bridge Deck waterproof/drainage reflecting the timing of retention payments within the reduced overall project cost.
- Reprofile of Rocker/Pendle Remedial Works over three years 2022/23-2024-25.

Reserves

- 2.15 The reserve position as at the 31 March 2022 (Appendix 3) is forecast to be £1.316m. The forecast for 2022/23 end of year reserve position is £1.021m and the 2023/24 forecast outturn is increased to £2.037m. Future years show that the reserve position will increase to £3.292m in 2025/26.
- 2.16 The Joint Committee receives a quarterly update on its financial position in order to provide assurance that the finances of the undertaking are being managed appropriately and that any significant issues are highlighted and necessary action is taken to address them.

Annual Business Plan

- 2.17 The Terms of Reference for the Undertaking require that an Annual Business Plan accompanies budgets for approval by Full Councils. For the last four years the Annual Plan has been associated with a multi-year Strategic Plan that covers the period to the end of March 2022.
- 2.18 It is recognised that Members have expressed a wish to review current Business Planning arrangements and therefore a single year Plan outside the scope of the previous Strategic Plan structure is proposed.
- 2.19 The 2022-2023 Business Plan attached as Appendix 4 is an interim proposal, closely following the format of previous annual plans. This interim measure recognises the likely substantive review of process.

3 Benefits for Customers/Residents

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

4 Relevant Previous Decisions

- 4.1 Approved budget for 2021/22 at Cornwall Council meeting of 23rd February 2021 (CC/883) [TBTF Revenue Estimates and Capital Programme 2021/22.](#)
- 4.2 Approved budget for 2020/21 at City Council meeting of 25 January 2021
<http://democracy.plymouth.gov.uk/ieListDocuments.aspx?CId=276&MIId=9439&Ver=4>

5 Consultation and Engagement

- 5.1 The financial position has been discussed at Member/officer workshops on 29 January 2021, 23 July 2021 and 5 November 2021, and at the Joint Committee meetings held on 11 June 2021, 19 August 2021 and 1 October 2021. The report has been based on the outcome of those meetings and workshops.

6 Financial Implications of the proposed course of action/decision

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

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

- 7.1 There are no legal or governance implications associated with this report providing the correct approval route for the budget is followed as set out in recommendation 1.

8 Risk Implications of the proposed course of action/decision

- 8.1 There are no implications associated with this report.

9 Cornwall Development and Decision Wheel

- 9.1 A development and decision wheel is not required for this report.

10 Options available

- 10.1 To approve the proposed revenue estimate for 2022/23 and capital programme as set out in Appendix 1 – 3. This is the preferred option for the reasons set out in this report.
- 10.2 To not approve the proposed revenue budget for 2022/23 and capital programme as set out in Appendix 1 – 3. This is not the preferred option as a revenue budget and capital programme must be set.

11 Supporting Information (Appendices)

Appendices 1-3: TBTF Budget 2022/23

Appendix 4: Draft 2022-2023 Business Plan

12 Background Papers

None

13 Approval and clearance

All reports:

Final report sign offs	This report has been cleared by (or mark not required if appropriate)	Date
Governance/Legal (Required for all reports)	Lia Musto-Shinton	19.11.21
Finance (Required for all reports)	Geraldine Baker, Finance Analyst Manager	19/11/2021
Equality and Diversity (If required)		
Service Director (Required for all reports)	Vicky Fraser, Service Director - Transport	22/11/2021
Strategic Director (If required)		

APPENDIX 1

Revenue Budget 2022/23
and Indicative Projections for 2023/24 to 2025/26

<i>Overall Summary</i>	<i>Page 1</i>
<i>Corporate Estimates</i>	<i>Page 2</i>
<i>Bridge Operation Estimates</i>	<i>Page 3</i>
<i>Ferry Operation Estimates</i>	<i>Page 4</i>
<i>Analysis of Variations</i>	<i>Page 5</i>

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

OVERALL SUMMARY	2021/22 Original Budget £'000	2021/22 Revised Forecast £' 000	2022/23 Budget £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000	2025/26 Indicative £' 000
Operational Summary						
Income	(13,061)	(13,459)	(15,349)	(17,009)	(17,030)	(18,602)
Expenditure						
Corporate	491	588	574	580	592	603
Bridge Operations	4,140	4,012	4,457	4,564	4,690	4,789
Ferry Operations	5,368	5,481	5,652	5,749	5,872	6,020
Learning Centre	91	112	117	270	123	126
	10,090	10,193	10,800	11,163	11,277	11,538
Operating (Surplus)/Deficit	(2,971)	(3,266)	(4,549)	(5,846)	(5,753)	(7,064)
Contribution to CC MRP	2,860	2,798	3,139	3,091	3,466	4,234
Interest on CC Financing	1,724	1,638	1,705	1,739	1,864	2,000
Interest on Joint Committee balances	(1)	(1)	0	0	(1)	(1)
Capital Expenditure financed from Revenue	0	0	0	0	0	0
Overall (Surplus)/Deficit on Undertaking	1,612	1,169	295	(1,016)	(424)	(831)
Reserve Balance brought forward	(1,990)	(2,485)	(1,316)	(1,021)	(2,037)	(2,461)
Reserve Balance carried forward	(378)	(1,316)	(1,021)	(2,037)	(2,461)	(3,292)

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CORPORATE	2021/22 Budget £' 000	2021/22 Revised Forecast £' 000	2022/23 Budget £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000	2025/26 Indicative £' 000
<u>INCOME</u>						
Tolls						
Toll income - Bridge	(5,821)	(5,821)	(6,258)	(7,567)	(7,567)	(8,408)
Toll income - Ferry	(802)	(869)	(959)	(1,159)	(1,159)	(1,159)
Concessionary toll income - Bridge	(4,919)	(4,919)	(6,271)	(6,394)	(6,394)	(7,105)
Concessionary toll income - Ferry	(593)	(642)	(840)	(856)	(856)	(856)
	(12,135)	(12,251)	(14,328)	(15,976)	(15,976)	(17,528)
Other						
Tag Account Fee	(388)	(501)	(501)	(501)	(511)	(521)
Saltash Tunnel control	(400)	(400)	(413)	(421)	(430)	(438)
Tag statements	0	(2)	0	0	0	0
Grant Income	(41)	(41)	0	0	0	0
MHCLG Covid Grant	0	(156)	0	0	0	0
Other Income	(97)	(108)	(107)	(111)	(113)	(115)
	(926)	(1,208)	(1,021)	(1,033)	(1,054)	(1,074)
TOTAL INCOME	(13,061)	(13,459)	(15,349)	(17,009)	(17,030)	(18,602)
<u>EXPENDITURE</u>						
Other Expenditure						
Support services	45	46	47	47	49	50
Tag statements	0	66	35	36	37	37
Purchase of tags	190	190	196	200	204	208
Bank charges	180	211	228	233	237	242
Internal Audit fees	10	10	11	11	11	11
External Audit fees	1	1	1	1	1	1
Consultants	50	49	51	52	53	54
Cost of Toll Review	15	15	5	0	0	0
TOTAL EXPENDITURE	491	588	574	580	592	603

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

BRIDGE OPERATIONS	2021/22 Budget £' 000	2021/22 Revised Forecast £' 000	2022/23 Budget £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000	2025/26 Indicative £' 000
Employees						
Salaries and wages	1,236	1,278	1,359	1,398	1,437	1,478
Agency staff	30	36	31	32	32	33
Indirect employee expenses	22	20	21	21	22	22
Premises						
Repair and maintenance - buildings & grounds	98	78	101	88	91	94
Repair and maintenance - bridge & infrastructure	605	510	619	637	655	674
Bridge & gantry inspections	232	232	241	248	255	262
Energy costs, water, rent and rates	149	158	178	188	200	212
Insurances	32	36	37	38	39	39
Other premises costs	10	10	11	11	11	11
Transport Related Expenses						
Staff travel	20	17	22	23	23	24
Supplies & Services						
Operational expenses	411	347	422	424	461	448
Office expenses	359	357	406	425	413	421
Toll collection & banking	706	701	761	778	794	808
Breakdown recovery	205	208	225	230	234	239
Other expenses	20	15	14	14	14	15
Support service charges						
	5	9	9	9	9	9
Net Expenditure - Bridge Operations	4,140	4,012	4,457	4,564	4,690	4,789

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

FERRY OPERATIONS	2021/22 Budget £' 000	2021/22 Revised Forecast £' 000	2022/23 Budget £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000	2025/26 Indicative £' 000
Employees						
Salaries and wages	3,503	3,417	3,563	3,666	3,769	3,874
Agency staff	41	140	41	42	43	44
Indirect employee expenses	62	68	70	71	73	74
Premises						
Repair and maintenance - buildings & grounds	92	50	82	35	35	36
Energy costs, water, rent and rates	92	96	104	109	115	120
Other premises costs	84	84	87	89	91	92
Transport Related Expenses						
Staff travel	33	28	33	34	35	35
Supplies & Services						
Repair & maintenance - ferries & infrastructure	630	700	702	687	700	714
Annual refit - ferries	0	0	0	0	0	0
Fuel costs (Marine Gas Oil)	161	220	209	213	218	222
Insurances	153	154	159	162	165	168
Operational expenses	187	178	218	243	238	243
Office expenses	312	300	335	347	339	346
Other expenses	10	28	31	32	32	33
Support service charges						
	8	18	18	19	19	19
Net Expenditure - Ferry Operations	5,368	5,481	5,652	5,749	5,872	6,020

Variations between the Revised 2021/22 and 2022/23 Original Estimates

The variation of £0.874m between the revised budgeted cost for 2021/22 and the original budgeted cost for 2022/23 is accounted for as follows:

	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Corporate			
Additional Income in respect of the proposed toll increase - cash	(527)		
Additional Income in respect of the proposed toll increase - concessions	(1,550)		
MHCLG Covid Grant (Final grant payment in 21/22)	156		
HLG Income (Final grant payment in 21/22)	41		
Other income	(10)		
Support Services	1		
Tag Statements	(31)		
Purchase of Tamar Tags and Accessories	6		
Bank Charges due to increases in card payments	17		
Consultants management and audit fees	3		
Cost of Toll Review	(10)		
		(1,904)	
Bridge			
Employees costs reflecting increase for pay awards, increments NI and Superann	81		
Agency staff budget reduced	(5)		
Indirect employee expenses	1		
R&M building and grounds	23		
R&M Bridge and Infrastructure - painting budget	109		
Bridge & Gantry Inspections budget reviewed and revised for 22/23 requirements	9		
Energy costs, water, rent and rates - increased due to rising energy bills	20		
Staff Travel - small inflationary increase	5		
Toll Equipment - additional development (within operational expenses)	53		
Office expenses - inflationary increases plus additional hardware and software budget provision	49		
Breakdown recovery - increased due to new contract	17		
Toll Cash Handling - contract inflationary increase and new contract	60		
Other Expenses- inflationary increase, catering provisions and additional conference budget	23		
		445	
Ferry			
Employees costs reflecting increase for pay awards, increments NI and Superann	146		
Agency staff budget reduced	(99)		
Indirect employee expenses	2		
Energy costs, water, rent and rates - small inflationary increase	8		
Other premises costs, small inflationary increase	3		
R&M Building and grounds maintenance	32		
R&M Ferries and Infrastructure	2		
Travel budgets	5		
Marine Oil	(11)		
Insurance small inflationary increase	5		
Operational Expenses	40		
Office Expenses - small reduction in budget	38		
		171	
Other			
Learning Centre small inflationary increase	5		
Interest on reserve balance	1		
MRP and Interest revisions to reflect new capital programme	408		
		414	
			(874)

APPENDIX 2

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

Capital Programme 2022/23 to 2025/26

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CAPITAL PROGRAMME	Actual Payments to 2020/21 £'000	Estimated Payments 2021/22 £'000	Estimated Payments 2022/23 £'000	Estimated Payments 2023/24 £'000	Estimated Payments 2024/25 £'000	Estimated Payments 2025/26 £'000	Estimated Final Cost Total £'000
Completed Schemes	205	0	0	0	0	0	205
Rendel Park (Phase 1)	3,890	0	0	0	0	0	3,890
Ferry Infrastructure	5,331	0	0	0	0	0	5,331
Electronic Tolling	116	0	0	0	0	0	116
Advance Signing	22	0	0	0	0	0	22
Ferry Marshalling Area	9	0	0	0	0	0	9
Bridge Office Feasibility Study	4	0	0	0	0	0	4
Bridge Car Park	73	0	0	0	0	0	73
Bridge Anchorage Chambers	21	0	0	0	0	0	21
Ferry Car Park Improvements	261	0	0	0	0	0	261
Gantry Chain Tunnel Replacement	154	0	0	0	0	0	154
Rendel Park (Phase 2)	720	0	0	0	0	0	720
Bridge Resurfacing Works - Phase 1	600	0	0	0	0	0	600
Illuminated Road Studs	54	0	0	0	0	0	54
Storage Building Devonport	14	0	0	0	0	0	14
Bridge Handstrands	250	0	0	0	0	0	250
Ferry Sewage Treatment Plant	29	0	0	0	0	0	29
Footpath 24 Reinstatement	32	0	0	0	0	0	32
Rendel Park - Sea Wall Stabilisation	246	0	0	0	0	0	246
Bridge Main Joint Replacement	21	0	0	0	0	0	21
Plaza Canopy Access Works	3	0	0	0	0	0	3
Bridge Half Joint Replacement	770	0	0	0	0	0	770
Bridge Access Works	39	0	0	0	0	0	39
Bridge WIM	5,569	0	0	0	0	0	5,569
Bridge Protective Coating	2,851	0	0	0	0	0	2,851
Bridge Protective Coating Phase II	238	0	0	0	0	0	238
Bridge Structural Monitoring System	5,569	0	0	0	0	0	5,569
Bridge Office Development	6,748	0	0	0	0	0	6,748
Suspension Remedial Works							
Current Programme	3,409	400	0	0	0	0	3,809
Bridge deck waterproof/drainage	0	70	180	250	0	0	500
Bridge Access Improvement Works Phase	0	0	850	1,150	0	0	2,000
Main cable remedial works	0	0	125	0	0	0	125
Bridge LED lighting	0	0	900	0	0	0	900
Ferry Traffic Control Systems	1,275	50	0	0	0	0	1,325
Toll System upgrade	3,292	0	0	1,750	1,750	0	6,792
Ferry Refitting	235	4,980	220	0	0	0	5,435
Bridge Resurfacing Works - Phase 2	25	40	0	400	400	0	865
Ferry Gantry Tower Replacement							
Future Programme (Not approved)							
Supplementary Cable Works	0	0	500	0	1,500	0	2,000
Bridge Protective Coating Phase 3	0	0	0	0	700	700	1,400
Rocker/Pendle Remedial Works	0	0	2,000	4,000	4,000	0	10,000
TOTAL CAPITAL PROGRAMME	42,075	5,540	4,775	7,550	8,350	700	68,990
FINANCING							
Prudential Borrowing	40,326	5,540	4,775	7,550	8,350	700	67,241
Capital Receipts	38	0	0	0	0	0	38
Revenue Financing	1,711	0	0	0	0	0	1,711
TOTAL FINANCING	42,075	5,540	4,775	7,550	8,350	700	68,990

APPENDIX 3

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

**Statement of Estimated Reserves
for 2022/2023 to 2025/2026**

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

RESERVES AND PROVISIONS	2021/22 Original Budget £'000	2021/22 Revised Forecast £' 000	2022/23 Budget £' 000	2023/24 Indicative £' 000	2024/25 Indicative £' 000	2025/26 Indicative £' 000
Balance brought forward	(1,990)	(2,485)	(1,316)	(1,021)	(2,037)	(2,461)
Net movement for year	1,612	1,169	295	(1,016)	(424)	(831)
Balance Carried Forward	(378)	(1,316)	(1,021)	(2,037)	(2,461)	(3,292)

Tamar Bridge and Torpoint Ferry Joint Committee

2022-2023 Annual Business Plan

Contents

Contents	2
Message from the Chairmen.....	3
The Context for the Annual Business Plan	4
Long Term Strategy	4
Meeting Customer Expectations.....	6
Budget Context.....	8
Performance Targets	9
Table 1 Safe Services	9
Table 2 Reliable Services.....	10
Monitoring Indicators	12

Message from the Chairmen

This Annual Business Plan extends beyond the last approved four-year Strategic Plan 2018-2022 agreed by the Committee in September 2017.

The Plan represents an interim approach whilst the Parent Authorities, the Committee and management consider alternative approaches to business planning during 2022. The provision of a single year plan ensures continuity whilst this review is ongoing.

Whilst the coming year will not see major capital projects of similar scope and impact as bridge kerb replacement and resurfacing, it will be an extremely busy one. The organisation needs to address the financial stresses caused by the Covid19 pandemic which will necessitate earlier and more significant increases in tolls than were anticipated before the pandemic. However, the Committee recognises the need to ensure that the service provided by the essential and strategic crossings under its control remains robust and that programmes take a long view in maintaining the key assets.

It is that long view approach that has convinced the Committee to undertake strategic reviews of operational efficiency, the approach to long term business planning, tolling technology and the potential to support the Joint Authorities' response to the Climate Emergency through the tolling structure.

The Plan demonstrates our ongoing commitment to delivering a safe reliable and efficient service to our users and it is intended that this document will form the basis of management reports to Members during the course of the year.

A summary of progress made against the Plan will accompany the Annual Report published in draft form in June 2023.

Councillor Martin Worth
Joint Chairman
Cornwall Council

Councillor Jonathan Drear
Joint Chairman
Plymouth City Council

The Context for the Annual Business Plan

Long Term Strategy

Plans for the longer term sustain the organisation's mission to provide safe, reliable and efficient crossings of the River Tamar. These plans are influenced by the Local Transport Plans of the Joint Authorities.

The physical and financial resources must continue to be available for major tasks such as resurfacing and repainting the Bridge and undertaking refits of the Ferries. Maintenance cycles may span consecutive Business Plan cycles, therefore while the current Strategic Plan spans four years, potential maintenance requirements beyond that period must also be considered.

The undertaking must maintain a clear strategy for the future to accommodate changes in traffic demand, user expectations, legislation and other factors that may stimulate changes in the way the undertaking operates and may require improvements to facilities. Therefore, potential change beyond the four year period of the Strategic Plan must also be considered.

Continuity with the previous Strategic Framework

The Strategic Plan that expired in March 2022 contained a number of goals for the four-year period April 2018 to March 2022. Those goals are recorded below, with work continuing to progress each of the goals and whilst the organisation considers new strategic approaches.

Progress on a number of actions was compromised by the demands on services and staff caused by the Covid19 pandemic. Where necessary those actions have either been rescheduled or are currently being reviewed.

Specific actions to achieve the desired outcomes are provided in KPI tables later in the document. These tables will allow Members, users and other stakeholders to monitor the performance of the service.

Strategic Goal: Meeting Customer Expectations

- Achieve or exceed service delivery KPIs
- providing more payment options for cash and TamarTag customers
- providing a greater range of communication routes online
- undertaking major projects to ensure Bridge and Ferries are maintained to appropriate standards
- proactively communicate with customers
- expand scope and improve detail of traffic data

Strategic Goal: Fiscally Sustainable

- ensure that income can fund forecast expenditure
- consider commercial opportunities and land use

- commission an external review of operational efficiency
- routinely report progress and update financial positions
- improve management of toll debtors
- pursue the ability to index-link tolls

Strategic Goal: Transparent Governance and Clear Decision Making Processes

- incorporate consideration of alternative organisational models within the efficiency review
- review approach to long term planning and business planning
- publish additional information and raise awareness of public meetings
- consider ways in which the crossings might assist the Parent Authorities in addressing the Climate Emergency
- review legislation and governance to ensure that there is continued effective and transparent corporate oversight and challenge

Strategic Goal: A Modern, Diverse and Well Trained Workforce

- act on workforce feedback and progress any recommendations from external review
- progress actions detailed in Gender Pay Gap Reports
- undertake further employee survey

Strategic Goal: Quality and Appropriate Standards

- improve pedestrian safety
- demonstrate our safety culture
- provide assurance about our approach to the environment
- maintain appropriate regulatory standards
- reduce environmental impact

Actions Plan for 2022-23

The following detailed actions to meet the 2022-23 goals:

Meeting Customer Expectations

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Introduce contactless payment at Torpoint Ferry	Mid-2022	Providing more payment options for cash and TamarTag customers
Provide more flexible Direct Debit scheme for TamarTag customers	June 2022	Providing more payment options for cash and TamarTag customers
Online applications and feedback forms	April 2022	Providing a greater range of communication routes on online
Expand the proactive customer engagement policy	Through 2022	Proactively communicate with customers
Expand data collection of journey times and traffic flows at Torpoint Ferry	June 2022	Improve traffic management decisions and expand public information

Fiscally Sustainable

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Revise discount tolls	May 2022	Ensure that the crossings remain financially sustainable.
Seek Government authority to increase cash tolls and implement	Complete January 2023	
Provide budget monitoring reports to Committee with updates to long term model	Quarterly	Routinely report progress and update financial positions
Determine and progress the preferred route to enable index-linking of tolls	Ongoing	Reduce income risk
Complete an independent efficiency review of the undertaking	April 2022, report to Committee, June 2022	commission an external review of operation

Transparent Governance and Clear Decision Making Processes

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Expand independent publication of information	ongoing	Publish additional information and raise awareness of public meetings
Undertake review of governance arrangements and consider new frameworks	ongoing	Effective and transparent corporate oversight and challenge

A Modern, Diverse and Well Trained Workforce

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Undertake further employee survey	Ongoing	Demonstrate value of workforce feedback
Review job design when vacancies occur to encourage more flexible working and part-time opportunities	Ongoing	Continue the actions detailed in Gender Pay Gap Reports
Review Employee Terms and Conditions	December 2022	Complete the actions detailed in Gender Pay Gap Reports and Peer Challenge Action Plan
Address any organisation issues raised in external reviews	Through financial year	Review legislation and governance

Quality and Appropriate Standards

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Upgrade traffic control systems at Torpoint and Devonport	2022	Improve pedestrian safety
Certification of Occupational Health and Safety Management to ISO 45001 Standard	During 2022	Demonstrate our safety culture
Certification of Environmental Management System to ISO14001 Standard	During 2022	Provide assurance about our approach to the environment
Continue technical inspection programme at Tamar Bridge	Ongoing	Maintaining appropriate regulatory standards

Maintain ferries to classification society standards	Ongoing	Maintaining appropriate regulatory standards
--	---------	--

Budget Context

The approved budgets for 2022-2023 are reported below.

Estimated income figures assume that traffic will be affected by major works at the bridge during the year and there is no growth in traffic volumes at Torpoint Ferry.

Forecast Income	£s
Toll Revenue (Bridge)	12,528,947
Toll Revenue (Ferry)	1,798,250
Tag Related Fees	501,000
Income from Agency Charges	412,720
Rents & Miscellaneous Income	107,738
Grant Income	0
Investment Income and Interest	0
TOTAL FORECAST REVENUE	15,348,655
Forecast Expenditure	
Bridge Operations & Maintenance	4,456,912
Ferry Operations & Maintenance	5,652,007
Learning Centre	117,114
Corporate Expenses	573,581
Interest Payments (cost of capital funding)	1,705,116
Repayment of Capital (Revenue Provision)	3,138,955
TOTAL FORECAST EXPENDITURE	15,643,685
Forecast Deficit for Year	£295,030

Reserves

The forecast deficit will mean that the reserve maintained as contingency will reduce from a forecast £1,316,409 at 31 March 2022 to a forecast £1,021,379 at the end of March 2023.

Capital Works

The borrowing required to fund capital works during the year is anticipated to be £4,775,000.

Performance Targets

In addition to the quarterly reports on progress made to the Joint Committee, progress against the measures below will be published on our website.

Table 1 Safe Services

Description	KPI	Target	Why this is important?
Number of accidents involving members of the public	Number of reportable incidents and accidents involving the public at both crossings	Zero and maintain	Public safety is an integral part of our business
Reportable incidents and minor accidents involving employees	Number of reportable incidents and accidents involving employees at both crossings	Reduce to zero and maintain zero incidents and accidents.	Staff safety is an integral part of our business. Need to mitigate risk to the lowest practicable level to avoid further accidents.
Lost time – employees	Days lost due to accidents	Less than 20 days	Provides a measure of the safety of the work environment. Reduces costs associated with absence or reduced capability following accidents.

Table 2 Reliable Services

Description	KPI	Target	Why this is important?
Bridge traffic lane availability	Peak time lane availability	>99.5%	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.
	Total lane availability	>98.5%	
Bridge toll booth availability	% of scheduled booth hours achieved	>99%	In addition to helping to ensure that journey times are predictable, the measure assists assessment of the performance of the contractor
Ferry scheduled crossings availability	Peak Time scheduled crossings achieved	To be confirmed	Measures success of vessel management and reliability of infrastructure. Predictable service is essential for customers to plan the best mode of transport.
	Off-Peak scheduled crossings achieved	>99%	
Ferry waiting/journey times	Average journey time from entry of waiting area to exit off ferry	To be confirmed (system extension pending)	Measures success of vessel management and reliability of infrastructure. Predictable journey times are essential for customers to plan the best mode of transport.
	Peak journey time from entry of waiting area to exit off ferry		
Bridge journey times	Average journey time between A38 Carkeel & St Budeaux junctions	< 5mins 45 sec	Measures success of traffic management and reliability of infrastructure. Predictable journey times are essential for customers to plan the best mode of transport.
	Peak average journey time between A38 Carkeel & St Budeaux junctions	< 6 mins	

Table 3 Effective and Efficient Services

Description	KPI	Target	Why this is important?
Expenditure	Variance against budgets	Monthly review within 10% of profiled spend	Cost control, financial management, efficiency.
Tag Usage	Overall usage Peak usage	≈60% ≈80%	Maintains plaza capacity.
Complaints	Response time	95% of complaints responded to within 10 working days.	Those making complaints remain aware that their comments are valued and investigations are prioritised.
Payment within 30 days of invoice date	% of invoices are paid within 30 days	>95%	Payment within terms assists the relationship with suppliers and improves validity of financial monitoring process
Staff sickness absence	Days absence per employee per annum	Average of <9 days	Reflects a healthy workforce and sound HR practices.
Energy recovered waste incineration	non-hazardous waste to be diverted from landfill for energy recovery	60% diversion	Reduction of waste improves efficiency and demonstrates our concern for the wider community
Recycled waste	non-hazardous waste diverted from landfill to be recycled	40% diversion	