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Department for Transport
C/O National Transport Casework Team Newcastle
Tyneside House
Skinnerburn Road
Newcastle Business Park
NEWCASTLE UPON TYNE NE4 7AR
Attn, Ms Sandra Zamenzadeh, Casework Manager

Date: 28th March 2019

Reply to: Tamar Bridge

Dear Ms Zamenzadeh

Toll Revision Application Tamar Bridge and Torpoint Ferry

Cornwall Council and Plymouth City Council (the Joint Authorities) wish to apply for a revision in tolls and charges using powers derived from the Tamar Bridge Acts 1957 to 1998 and in accordance with the Transport Charges &c. (Miscellaneous Provisions) Act 1954 (the 1954 Act). In accordance with section 13 of the Tamar Bridge Act 1979, if an application is made for the revision of tolls the bridge and ferry shall be regarded as one undertaking for the purpose of section 6 (3) of the 1954 Act.

The background and justification for the proposed revisions are set out below, with supporting information.

Background

The Tamar Bridge and Torpoint Ferry are operated together as a joint undertaking by the Joint Authorities, which appoint members to the Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC). This Committee acts as the governing board, using powers delegated by the Joint Authorities.

The TBTFJC monitors the financial position of the undertaking on a continuous basis, including forecasting of income and expenditure up to fifteen years into the future. Officers present reports on the financial position to quarterly meetings of the TBTFJC. Other than a brief period of borrowing from the Joint Authorities in 2000 and 2001, the Joint Authorities have held modest reserves in relation to the undertaking since the completion of the major project to strengthen and widen the Tamar Bridge. The history of the undertaking's income, expenditure and reserves since 1996 is illustrated in tabular and graphical form at Appendices 1 and 2. In addition, audited accounts for the past three years (2015/16, 2016/17, 2017/18) are attached at Appendix 3a, 3b and 3c. A history of toll increases since 1982 is shown at Appendix 4.

The organisation maintains a contemporary financial model which is used as a tool to monitor and forecast financial sustainability. This model is reviewed and updated on a regular basis and is considered by the TBTFJC at quarterly meetings and at *ad hoc* workshops. TBTFJC determined in its meeting on 15 June 2018 that in view of the annual deficit position forecast from 2018/19 and forecast increasing costs into the future, options needed to be explored to put the balance of

income and expenditure on a sustainable footing. With toll as the only significant source of income and traffic not growing, a toll increase was recognised as the only viable way to fund increasing revenue and capital costs. A proposed toll revision strategy has been developed and is detailed below.

Further information about the structured management of the organisation is provided within Appendix 5 “Strategic Plan 2018-2022” and the forthcoming 2019-2020 Business Plan at Appendix 6.

Justification for Toll Revision

The financial model has been used as a tool for considering tolling strategy options. The model uses detailed forecasts of expenditure up to 2035, this horizon being chosen to align with current forecasts for procurement of the next generation of Torpoint Ferries. The forecast expenditure is required to ensure the safety, effectiveness and efficiency of the two crossings in providing reliable journeys to meet the expectations of users.

The contemporary baseline version of this model without toll revision is attached at Appendix 7 and is represented graphically at Appendix 8. This shows the forecast rapid decline in reserves, reaching zero by the end of the forthcoming financial year, 2019-2020.

The most significant factors affecting expenditure are:

- increased capital funding costs associated with significant Bridge maintenance and improvement projects either completed, ongoing or planned over the next four years;
- increasing Ferry maintenance costs as the three Torpoint Ferries reach mid-life, with obsolete onboard equipment needing replacement as part of a comprehensive planned maintenance programme and periodic refit programmes becoming more substantial;
- inflationary pressures increasing the costs of operation, maintenance and the employment of staff and contractors associated with the critical infrastructure operated by the undertaking.

The model makes various assumptions as follows:

No traffic growth — although traffic rose for a period following the financial crisis at the turn of the decade, traffic has been broadly flat over the last two years - the history of annual traffic levels at both crossings and combined is shown at Appendix 9. It is noted that the Department for Transport's Road Transport Forecasts for England and Wales 2018 assess overall mileage driven, whilst toll income relies on numbers of trips made at each crossing. The Department's 2018 forecast of trip rates (“Scenario 6 – Extrapolated Trip Rates”) anticipates noticeably lower growth than any scenario measuring mileage. It is therefore considered appropriate and prudent to assume zero growth in the financial model. It should also be recognised that, particularly in the short term, traffic levels may reflect some minor price elasticity and decrease in response to the proposed toll increase.

Cost inflation of 2.0% - current price indices indicate that this is a reasonable assumption. A significant proportion of supplies and services involved in operating, maintaining and improving the two crossings are specialised in nature and as such are not anticipated to show significantly reduced inflation in the short term as a result of the general market position. Where prudent to do so, our model assumes lower inflation for specific cost elements but slightly higher inflation in employment costs.

Cost of new borrowing 3.38% - since the Joint Committee has no separate corporate identity, it cannot borrow in its own right and has limited reserves and funding for capital schemes must be

arranged through the parent authorities. In recent years, this funding has been provided by Cornwall Council on a cost-neutral basis. It has been agreed that interest rates on loans will be fixed for the entire period of loans, at the prevailing Public Works Loan Board rate at the time each loan is taken out. The cost-neutral basis of loan agreements is reflected in interest being calculated on the decreasing outstanding balance of each loan.

The financial model assumes a future borrowing rate of 3.38%, which equates to the current 25 year PWLB rate, with historical borrowing before April 2019 being fixed at Cornwall Council's current consolidated average rate of 4.647%.

Interest on Deposits - as a recipient of funding for capital purposes (effectively a net borrower), the TBTFJC generally has limited funds for investment, consisting predominantly of the modest reserves balance which is now decreasing rapidly. These funds have been deposited with Cornwall Council, which manages those funds. For budgeting and modelling purposes, it has been assumed that the limited investment returns available through secure deposit and investment will continue.

Minimum level of Reserves — it is considered that a minimum level of reserves should be set at £2 million; this being slightly less than 15% of forecast annual expenditure and reflecting the expectation that the undertaking remains financially self-supporting. This level has been chosen to ensure adequate cash flow resilience in contingency situations.

Proposed Toll Revision

The financial model was used by members and officers at workshops to explore various options:

- overall toll levels
- timing of toll revision
- discount rates for pre-payment
- vehicle classifications
- differential charging by time of day or season
- relative toll levels at the two crossings
- emissions based tariffs

The preferred option on timing and overall additional income requirement of 33% resulting from the workshop process was agreed at TBTFJC's meeting on 15 June 2018. This additional income would resolve the forecast funding shortfall only for a relatively short period, with reserves forecast to again drop below the preferred minimum of £2 million in 2023/24. A version of the financial model incorporating the proposed 33% increase is attached in a spreadsheet and as a graph at Appendices 10 and 11 respectively.

Following determination of the additional income requirements, TBTFJC undertook a comprehensive public consultation exercise in July 2018 to:

- explain to users and other stakeholders the general financial position
- explain why and when it was planned to increase tolls
- gather views on current and alternative tolling structures.

Copies of the consultation leaflet and questionnaire are provided as Appendices 12a and 12b and a summary of the findings from the exercise is attached at Appendix 13.

The final toll structure was informed by public consultation results and agreed at the TBTFJC meeting on 5 October 2018. Given that the consultation exercise provided no clear preference for alternative tolling structures, a one-third increase of current tolls was agreed. No change was

proposed for fees for abnormal loads at both crossings. A draft Statutory Instrument with proposed toll rates is attached as Appendix 14.

Comparators

The proposed tolls are considered reasonable in comparison with other tolled crossings around the UK. A table comparing Tamar Bridge tolls with those at other tolled fixed crossings is attached at Appendix 15, and a similar table comparing Torpoint Ferry tolls with other tolled inland waterway ferry crossings is attached at Appendix 16.

Effect on Users

While the proposed increase is high in percentage terms, tolls have remained unchanged for over nine years and it is in line with RPI inflation over that period.

In absolute terms, toll levels are considered to be relatively low, and a 50% discount scheme using electronic tolling (TamarTag) is accessible to all users willing to pre-pay for crossings with a modest initial pre-payment cost (£30 for an account for a single private vehicle).

For example, for a daily commuter using a TamarTag account, to pay for a private car at one of the two crossings five times per week would incur additional weekly expenditure of £1.25 per week as a result of the proposed toll revision.

External Review

In December 2018 the Local Government Association (LGA) conducted a Peer Review Exercise. The LGA peers were asked to supplement their review with additional consideration of the organisation's financial management. Relevant highlights from the Feedback Report were as follows:

- there is great confidence in the operational stewardship of the bridge and how the bridge is operated in achieving the Joint Committee's mission to provide safe, reliable and efficient crossings
- the standard, clarity and presentation of TBTF financial information and reporting is high
- going forward, longer-term capital financial planning is needed to inform future toll revisions and financial planning. The facility to increase tolls with an inflation index would simplify and support this approach
- the financial reporting is very thorough and the forecasting and accounting up to the standards expected in a local public body
- given the nature of the undertaking, it is likely that TBTF would find a long-term financial planning period beneficial and perhaps a forecasting period of 25-30 years would be worth consideration by the Joint Committee.

Public Notice

A draft public notice is attached at Appendix 17. Subject to approval by Department for Transport, it will be published in the Evening Herald and Western Morning News newspapers and on the TBTFJC website www.tamarcrossings.org.uk.

Future Strategy

This application is made in accordance with the current legislative framework. The proposed increase would enable reserves to be maintained at an adequate level for less than five years, with reserves anticipated to fall below the prudent £2 million minimum by 2023. In the longer term, the authorities recognise the limitations of this framework.

The Department for Transport has also recognised the limitations of the 1954 Act, as set out in its February 2014 consultation document, entitled "Simplifying the process for revising tolls at local tolled crossings:"

- this process can be costly and time consuming for the operator....[and] these costs are likely passed on to the user through higher tolls" (paragraph 1.2)
- "...the process needs to be simplified to reduce the administrative burden on operators and government..." (paragraph 1.3)
- "...imposes and excessive burden on operators... especially where the proposed increases are intended simply to keep tolls at the same level or below in real terms..." (paragraph 4.1)
- "overall we consider that the procedures for the revision of tolls are cumbersome and time consuming" (paragraph 4.4)
- "the very existence of such controls arguably deters rather than inspires long term investment in the undertaking to ensure its optimum efficiency" (paragraph 4.4).

The last of the Department's comments highlights the barrier the 1954 Act imposes on the authorities in responding to the LGA's commentary on the need for much longer term financial planning. Both parent authorities have also recognised the further difficulties imposed by the current framework and Cornwall Council has resolved to liaise with Plymouth City Council in pursuing this matter.

The Joint Committee is therefore likely to pursue arrangements which allow further incremental toll increases in line with inflation and this will be sought in due course, following resolution of this current application.

I trust that this application incorporates the necessary financial and other information necessary to allow your early consideration. We would like to publish the public notice as soon as possible and therefore your early response would be very much appreciated.

If you have any queries or need further information please contact either the undersigned by e-mail, at david.list@tamarcrossings.org.uk, on land line number 01752 361577 or on mobile number 07778 806131, or our Business Manager, Andrew Vallance, by e-mail at andrew.vallance@tamarcrossings.org.uk, on land line number 01752 812233 or on mobile number 07887 563401.

Yours sincerely



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General Manager
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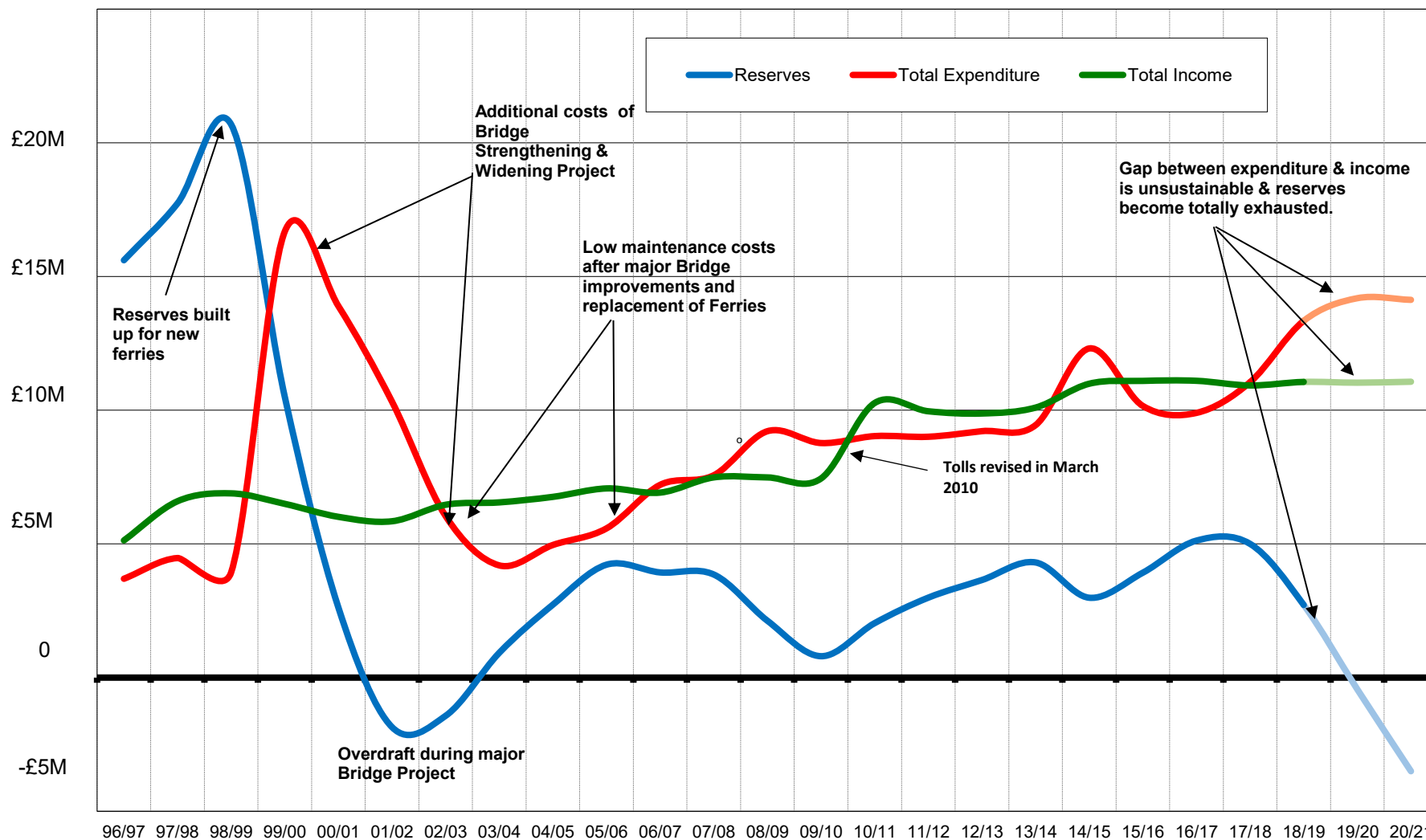
APPENDIX 1

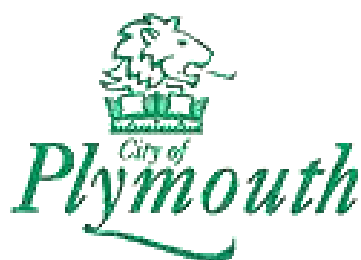
TAMAR BRIDGE & TORPOINT FERRY Income, Expenditure and Reserve balances 1996 - 2018

£'000s	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Gross Expenditure	2,765	2,648	2,328																			
Bridge				686	735	842	1,074	1,058	1,242	1,175	1,619	1,802	2,590	2,336	2,469	2,509	2,472	2,598	2,722	2,942	3,340	4,009
Ferry				2,165	2,386	2,470	2,620	2,510	2,542	2,719	3,153	3,845	3,983	4,341	4,473	4,444	4,580	4,645	5,265	5,011	4,297	4,671
Corporate				91	114	92	90	176	124	101	87	89	639	374	396	365	451	456	341	421	424	458
Capital financed from Revenue	932	1,823	1,611	13,642	10,608	6,827	2,052	377	508	268	528	133	272	22	10	21	0	0	81	0	0	0
Capital financing interest										805	999	892	885	853	820	801	792	803	782	791	797	801
Contribution to CC MRP										513	773	806	846	846	864	868	922	939	955	995	1,042	1,109
Other				100	50	87	203	75	544	0	50	0	0	0	0	0	0	0	2,164	0	0	0
	3,697	4,471	3,939	16,684	13,893	10,318	6,039	4,196	4,960	5,581	7,209	7,567	9,215	8,772	9,032	9,008	9,217	9,441	12,310	10,160	9,900	11,048
Gross Income	(4,358)	(5,601)	(5,682)																			
Bridge				(4,813)	(4,743)	(4,821)	(5,484)	(5,554)	(5,665)	(5,716)	(5,677)	(5,846)	(6,040)	(6,153)	(8,596)	(8,370)	(8,278)	(8,442)	(8,747)	(8,934)	(9,063)	(8,846)
Ferry				(647)	(663)	(697)	(714)	(707)	(671)	(670)	(720)	(761)	(818)	(824)	(1,145)	(1,136)	(1,124)	(1,152)	(1,136)	(1,167)	(1,189)	(1,170)
Other	(772)	(995)	(1,208)	(1,038)	(606)	(329)	(266)	(292)	(424)	(689)	(522)	(881)	(628)	(470)	(529)	(454)	(475)	(504)	(1,107)	(995)	(848)	(910)
	(5,130)	(6,596)	(6,890)	(6,498)	(6,012)	(5,847)	(6,464)	(6,553)	(6,760)	(7,075)	(6,919)	(7,488)	(7,486)	(7,447)	(10,270)	(9,960)	(9,877)	(10,098)	(10,990)	(11,096)	(11,100)	(10,926)
Net (Surplus)/Deficit	(1,433)	(2,125)	(2,951)	10,186	7,881	4,471	(425)	(2,357)	(1,800)	(1,494)	290	79	1,729	1,325	(1,238)	(952)	(660)	(657)	1,320	(936)	(1,200)	122
RESERVES	15,609	17,734	20,685	10,499	2,618	(1,853)	(1,428)	929	2,729	4,223	3,933	3,854	2,125	800	2,038	2,990	3,650	4,307	2,987	3,923	5,123	5,001

APPENDIX 2

Income, Expenditure & Reserves 1996 to 2018 with estimated position to March 2021





Tamar Bridge and Torpoint Ferry Joint Committee

2017/18 Annual Financial Report and Statement of Accounts

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Explanatory Foreword

from the Joint Treasurers

We are pleased to introduce the Tamar Bridge and Torpoint Ferry Joint Committee's Annual Financial Report and Statement of Accounts for 2017/18. The Joint Committee carry out the operation, maintenance and control of the Tamar Bridge and the Torpoint Ferries on behalf of Cornwall Council and Plymouth City Council.

This document provides a summary of the Joint Committee's financial affairs for the financial year 1 April 2017 to 31 March 2018 and the financial position at 31 March 2018.

1. The Financial Report and Statements

Our Annual Financial Report and Statement of Accounts includes the following financial statements and disclosure notes:

- **Explanatory Foreword** – from the Joint Treasurers. This provides a concise guide for the reader of the accounts of the most significant aspects of the Joint Committee's financial performance, year-end position and cash flows.
- **Statement of Accounts**
 - **Statement of Responsibilities** – this explains the different responsibilities relating to the Statement of Accounts and confirms their approval.
 - **The Main Financial Statements**
 - **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the Joint Committee.
 - **Comprehensive Income and Expenditure Statement** – this statement shows the net cost in the year of providing the Joint Committee services.
 - **Balance Sheet** – the Balance Sheet shows the value at 31 March 2018 of the assets and liabilities held by the Joint Committee.
 - **Notes to the Main Financial Statements** – these provide additional, more detailed information on certain issues included in the main financial statements.

Except where otherwise indicated, figures are presented in millions of pounds (£m) and are rounded to the nearest thousand pounds (£0.001m).

Financial Review of 2017/18

The Tamar Bridge and Torpoint Ferries are run as a self-funding joint undertaking by the Joint Committee on behalf of the parent authorities, Cornwall Council and Plymouth City Council. The only significant source of revenue generated by the Joint Committee is the revenue from tolls charged for using the crossings and it is therefore entirely dependent on this income stream to fund its day to day running costs and ongoing programme of repairs and maintenance.

The current scale of tolls continued to ensure that reserve levels are above £2m, which continues to be considered as the minimum prudent level. However, significant additional investment and maintenance, along with increasing operating costs, will mean that without additional revenue the level of reserves is anticipated to fall below the minimum prudent level during financial year 2019-2020. The Joint Committee recognised this position in December 2017 when reviewing forward budgets for 2019-2020 and beyond.

In 2017/18, operational expenditure was £9.138m, some £0.742m less than the original budget of £9.88m for the year. The budget was revised in December which reduced the planned expenditure to £9.708m, which provides a favourable variance of £0.57m.

The main reasons for the significant variance are:

- Contingencies within ferry maintenance budgets not required and preparatory expenditure for ferry refit held over until 2018-2019;
- Delay in works for rock stabilisation somewhat moderated by additional spend on building works;
- Savings in staff costs due to delayed recruitment and higher than anticipated staff turnover;
- Spend on bridge grounds maintenance delayed beyond the end of the financial year and until completion of building works;
- Spend on marine gas oil much lower than anticipated due to suppressed oil prices;
- Slight delays and limited need for variable provisions within inspection budgets reducing costs, but higher expenditure required within maintenance budgets following inspection findings;
- Toll collection system works now taking place in 2018-2019;
- Office and support system expenses not incurred until April 2018;
- Expenditure on automated coin and note counting machinery;
- Savings not realised for payment card processing costs.

It is important to note that in many cases, expenditure has been deferred rather than permanently reduced and that, this anticipated expenditure has an overall negative effect on the longer term position.

The level of revenue raised was £10.924m which is £0.294m lower than the original budget of £11.218m and £0.081m lower than the revised forecast, as traffic levels and revenue from tolls were lower than anticipated in either forecast. At the operating level, a surplus of £1.786m was achieved in 2017/18.

From its income, the Joint Committee also has to fund its capital financing costs, which amounted to £1.910m for the year, a reduction from the original £2.113m budget but matching the revised budget. After taking these costs into account and a small amount of interest received on cash balances, the overall position was a deficit of £0.122m, compared to an original budgeted deficit of £0.769m.

1.1 Comparison of Outturn Figures to Approved Budget

The table below provides a high level summary of the £0.122m deficit set out on the basis on which it was monitored during the year by the Joint Committee. This reflects the costs that the Joint Committee budgets for out of its revenues.

A number in brackets in the Variance from Budget column represents an underspend against the budget.

	Outturn £m	Original Budget £m	Variance from Budget £m
Operational Expenditure			
Bridge Operations	4.009	4.234	(0.225)
Ferry Operations	4.671	5.264	(0.593)
Corporate Expenditure	0.458	0.382	0.076
Sub-total	9.138	9.880	(0.742)
Operational Income			
Toll Income	(10.016)	(10.269)	0.253
Other Income	(0.908)	(0.949)	0.041
Sub-total	(10.924)	(11.218)	0.294
Net Operational Surplus	(1.786)	(1.338)	(0.448)
Other Expenditure			
Interest on Cornwall Council financing	0.801	1.017	(0.216)
Capital expenditure charged against revenue	-	-	-
Contribution to Cornwall Council's MRP	1.109	1.096	0.013
Sub-total	1.910	2.113	(0.203)
Income			
Interest on balances	(0.002)	(0.006)	0.004
Net Overall Surplus	0.122	0.769	(0.647)

1.2 Comparison of Outturn against the Comprehensive Income and Expenditure Statement

There is a difference between the outturn deficit of £0.122m and the Deficit on Provision of Services of £1.392m as reported in the Comprehensive Income and Expenditure Statement (CIES) on page 13 of these Accounts.

This is because the Joint Committee is required to prepare its accounts in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 published by

CIPFA. Under the Code, there are a number of notional (non-cash) costs that the Joint Committee is required to recognise in its CIES even though it is not required to meet these costs out of its cash revenues and therefore does not budget for them out of its General Fund (usable reserves).

The items that give rise to these different bases of reporting are identified in the table below:

		2017/18
	£m	£m
Net overall deficit per Outturn		0.122
Depreciation		1.731
IAS19 pension adjustments	0.482	
Net interest expense	0.195	
		0.677
Grant movement		(0.018)
Increase in annual leave accrual		(0.011)
Contribution to Cornwall Council's MRP		(1.109)
(Surplus) or Deficit on Provision of Services		1.392

The items giving rise to the difference between the Joint Committee's reported outturn surplus for 2017/18 and the deficit on the CIES are explained below:

- Depreciation is not included in the budget outturn position but is a required charge to the CIES within the Statement of Accounts. The charge is reversed out in the Movement in Reserves Statement (MIRS) **so as not to impact the Joint Committee's** usable reserves.
- A net pension debit (as defined by International Accounting Standard 19) of £0.677m has been applied to the CIES, as required by regulation.
- An accrual for short-term compensated absences (annual leave) has been applied to the CIES, as required by regulation.
- **The Joint Committee's** contribution to Cornwall Council's Minimum Revenue Provision (MRP) can not be charged to the CIES.

Consequently, although the CIES shows a deficit on the provision of services of £1.392m for the year, **the Joint Committee's** usable reserves position has only reduced by £0.122m. This is compared to a surplus on the provision of services of £0.056m and an increase in usable reserves of £1.200m in 2016/17.

2. Material Items of Income or Expense

There are no material Items of Income or Expense.

3. Pensions Assets and Liabilities

The Joint Committee participates in the Local Government Pension Scheme, administered locally by Cornwall Council. This is the combination of a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance pension liabilities with investment assets and career average revalued earnings scheme. The joint authorities are liable as employers for any deficit in the funding of the pension scheme.

The Joint Committee has fully adopted the provisions of International Accounting Standard 19 (IAS 19) in relation to accounting for post employment benefits. On the basis of **valuation required by IAS 19, the Joint Committee's net pension liability at 31 March 2018** was £7.556m, down from £7.571m in March 2017. This should be considered alongside the level of usable reserves of £5.001m, down from £5.123m in March 2017 and total assets less liabilities of £103.276m, decreased from £103.976m in March 2017.

4. Capital Expenditure and Funding

In addition to our day to day running costs, the Joint Committee spends money on assets such as the bridge and ferries, vehicles and information and communications technology. Such expenditure is intended to contribute to service provision over a number of years and is defined as capital expenditure.

Capital expenditure tends to be characterised by large individual schemes, with expenditure often incurred over several financial years. Because of this, it is not normally controlled against a fixed annual budget as with revenue spending, but rather through a programme of approved schemes within a multi-year capital plan.

During 2017/18, actual capital spending was £8.421m (2016/17 £1.659m). The following table shows where the money was spent:

	2017/18 £m
Capital Expenditure	
Bridge protective coating	1.460
Bridge Office Development	3.520
Suspension System Remedial Works	3.441
Total	8.421

This expenditure was funded through advances from Cornwall Council (£8.403m).

5. Current Borrowing Facilities and Capital Funding

The Joint Committee cannot legally borrow in its own right. However, the parent authorities have the power to borrow on its behalf and provide advances to the Joint Committee to fund its capital expenditure programme. In recent years, these advances have been made by Cornwall Council.

The Joint Committee pays interest to Cornwall Council at a rate reflecting **the Council's own** cost of borrowing. The Joint Committee also makes a contribution to Cornwall Council in respect of the Minimum Revenue Provision (MRP) charged by the Council in its own accounts to provide for future repayment of the funding advanced to the Joint Committee.

The level of contribution made will provide for repayment of the amounts advanced evenly over a 25 year period. This is considered by the Joint Treasurers to be a prudent basis on which to make that provision and complies with Cornwall **Council's MRP policy**. **The advances are held in the Joint Committee's balance sheet as deferred liabilities, split between the elements payable within one year and more than one year from the balance sheet date.**

Looking Ahead to 2018/19 and Beyond

The toll revision which came into effect in March 2010 has helped to increase the Joint **Committee's reserves, to what is currently considered to be an appropriate level**. This position was been further strengthened following the implementation of the TamarTag **account fee which commenced in April 2014**. **2017 was the final "fallow" year before ferry drydocking recommences in 2018**, increasing budgeted revenue expenditure for the current year and the following two financial years by a total of £2.602m, with some risk of additional expenditure related to potential additional onboard equipment obsolescence issues.

Substantial capital expenditure will continue as work on the replacement of the bridge office is completed, suspension system remedial works and bridge recoating continues and the continuation and replacement of bridge kerb/drainage units. A smaller capital project to improve onshore traffic control systems at Torpoint will be undertaken.

In recent years, the growth in traffic levels brought higher than expected levels of income as cash payment recovered after the recession but this pattern ended in 2017 and full year income levels were lower than anticipated even after budget revision. Traffic (and therefore income levels) are not expected to grow during the coming financial year with a growth further suppressed by restrictions related to the significant capital works schemes taking place during the year. Traffic is only expected to return to longer term trend levels from 2020, but it is anticipated that increases will reflect the capital work related suppression of volumes expected in 2018 and 2019. It is also important to note that the substantial element of the 2017/18 savings relate to prudent and necessary delays in spending and there is an expectation of a correction in the position during the forthcoming years.

Together the factors above result in the annual budget anticipated to move from surplus to deficit in 2017/18 and beyond. This position requires that the Joint Committee and owning Authorities consider the potential for an increase in toll levels during the course of the financial year, which would take effect from Summer 2019. The approval of such an increase rests with Central Government and may require a formal Public Inquiry before a decision is reached.

The Committee will continue to monitor its expenditure and overall financial position closely to ensure that it continues to deliver its services in a cost effective manner.

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Statement of Responsibilities

Our Responsibilities

We must:

- make sure that one of our officers is responsible for proper administration of our financial affairs. In our case the Joint Treasurers are responsible for doing this;
- manage our affairs so as to use our resources economically, efficiently and effectively and to protect our assets; and
- approve this Statement of Accounts

The Joint Treasurers responsibilities

The Joint Treasurers are responsible for preparing our Statement of Accounts in accordance with proper practices.

In preparing this Statement of Accounts, the Joint Treasurers have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Main Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (those that can be applied to fund expenditure) and 'unusable reserves' (which have specific purposes). The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance.

	General Fund Balance £m Notes 15	Total Usable Reserves £m	Unusable Reserves £m 16	Total Authority Reserves £m	Notes
Balance at 31 March 2016	(3.923)	(3.923)	(100.183)	(104.106)	
Movement in reserves during 2016/17					
(Surplus) or deficit on the provision of services	(0.056)	(0.056)	-	(0.056)	
Other Comprehensive Income and Expenditure	-	-	0.186	0.186	
Total Comprehensive Income and Expenditure	(0.056)	(0.056)	0.186	0.130	
Adjustments between accounts basis & funding basis	(1.144)	(1.144)	1.144	-	
Exceptional adjustment for capital financing entries relating to prior years		-		-	
Increase/Decrease in Year	(1.200)	(1.200)	1.330	0.130	
Balance at 31 March 2017 carried forward	(5.123)	(5.123)	(98.853)	(103.976)	
Movement in reserves during 2017/18					
(Surplus) or deficit on the provision of services	1.392	1.392		1.392	
Other Comprehensive Income and Expenditure		-	(0.692)	(0.692)	
Total Comprehensive Income and Expenditure	1.392	1.392	(0.692)	0.700	
Adjustments between accounts basis & funding basis	(1.270)	(1.270)	1.270	-	
Increase/Decrease in Year	0.122	0.122	0.578	0.700	
Balance at 31 March 2018 carried forward	(5.001)	(5.001)	(98.275)	(103.276)	

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from toll income.

	2017/18 £m	2016/17 £m
Gross Expenditure	11.341	10.002
Gross Income	(10.924)	(11.091)
Cost of services	0.417	(1.089)
Financing and investment income and expenditure	0.994	1.033
Taxation and non-specific grant income	(0.019)	-
(Surplus) or deficit on provision of services	1.392	(0.056)
Remeasurement of the net defined benefit liability/(asset)	(0.692)	0.186
Other comprehensive income and expenditure	(0.692)	0.186
Total comprehensive income and expenditure	0.700	0.130

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Joint Committee at 31 March. The net assets are matched by usable and unusable reserves.

	31 March 2018 £m	31 March 2017 £m	Notes
Property, Plant and Equipment	131.791	125.101	3
Long Term Assets	131.791	125.101	
Cash and Cash Equivalents	4.510	5.604	4
Inventories	0.571	0.488	
Short Term Debtors	3.727	1.421	
Current Assets	8.808	7.513	
Deferred Liabilities - Short Term	(1.445)	(1.109)	8
Short Term Creditors	(3.842)	(2.436)	
Current Liabilities	(5.287)	(3.545)	
Deferred Liabilities - Long Term	(24.480)	(17.522)	8
Other Long Term Liabilities - Pensions	(7.556)	(7.571)	
Long Term Liabilities	(32.036)	(25.093)	
Net Assets	103.276	103.976	
Usable Reserves	(5.001)	(5.123)	5
Unusable Reserves	(98.275)	(98.853)	6
Total Reserves	(103.276)	(103.976)	

Notes to the Main Financial Statements

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**Note
1**

Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Joint Committee's Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are included on the basis of valuations and assessed useful lives determined by Cornwall Council's Chief Valuer on the basis of condition surveys and standards of professional practice set out by the Royal Institute of Chartered Surveyors (RICS). The assumptions underlying such valuations and the assessment of useful lives are subject to revision and the valuation would therefore be expected to change accordingly. The carrying value of these long term assets at the end of the reporting period was £131.791m.	<p>The impact of a change in valuation or useful life would be to affect the carrying value of the asset in the balance sheet and the charge for depreciation or impairment in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, and expected return on pension fund assets. Cornwall Council, the administrators of the Joint Committee's pension arrangements, have engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The carrying value of this long term liability is (£7.556m).	<p>The impact of a change in the actuarial assumptions will be to increase or decrease the net pension liability shown in the balance sheet and the cost shown in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Note 2 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future capital and revenue expenditure.

Adjustments in 2017/18	General Fund Balance £m	Movement in Unusable Reserves £m
Adjustments primarily involving the Reserve Held for Capital Adjustment Account:		
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non current assets	(1.731)	1.731
Capital grants and contributions applied	0.018	(0.018)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Contribution to Cornwall Council MRP	1.109	(1.109)
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1.390)	1.390
Employer's pensions contributions and direct payments to pensioners payable in the year	0.713	(0.713)
Adjustment primarily involving the Reserve Held for Accumulated Absences Account:		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year	0.011	(0.011)
Total Adjustments	(1.270)	1.270

Note 3 Property, Plant and Equipment

The main assets held by the Joint Committee and reflected in its balance sheet are set out below:

- Tamar Bridge - The Tamar Bridge and approach roads, associated land and offices.
- Torpoint Ferries - The three Torpoint ferries (Plym II, Tamar II and Lynher II) and landing stages, associated land and offices.
- Joint / Other - Rendell Park, Torpoint, Electronic Toll System and Advance Traffic Signage System.

Movements on Balances 2017/18	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2017	2.668	18.749	0.776	113.399	3.155	138.747
Additions	0.005	-	0.022	4.255	8.421	12.703
Other movements in cost or valuation	-	-	-	-	(4.281)	(4.281)
At 31 March 2018	2.673	18.749	0.798	117.654	7.295	147.169
Accumulated Depreciation and Impairment						
At 1 April 2017	(0.227)	(10.521)	(0.070)	(2.828)	-	(13.646)
Depreciation charge	(0.073)	(0.669)	(0.009)	(0.980)	-	(1.731)
At 31 March 2018	(0.300)	(11.190)	(0.079)	(3.808)	-	(15.377)
Net Book Value						
at 31 March 2018	2.373	7.559	0.719	113.846	7.295	131.791
at 31 March 2017	2.441	8.228	0.706	110.571	3.155	125.101

Comparative Movements in 2016/17	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2016	2.668	18.749	0.776	113.399	1.496	137.088
Additions	-	-	-	-	1.659	1.659
At 31 March 2017	2.668	18.749	0.776	113.399	3.155	138.747
Accumulated Depreciation and Impairment						
At 1 April 2016	(0.155)	(9.852)	(0.061)	(1.883)	-	(11.951)
Depreciation charge	(0.072)	(0.669)	(0.009)	(0.945)	-	(1.695)
At 31 March 2017	(0.227)	(10.521)	(0.070)	(2.828)	-	(13.646)
Net Book Value						
at 31 March 2017	2.441	8.228	0.706	110.571	3.155	125.101
at 31 March 2016	2.513	8.897	0.715	111.516	1.496	125.137

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – offices 30-35 years, ferry waiting area 35 years
- Vehicles, plant, furniture and equipment – Torpoint ferries 25 years, IT equipment 5 years
- Infrastructure – approach road 40 years
- Infrastructure (Toll Bridge) – Tamar Bridge 120 years.

Revaluations

The Joint Committee carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least very five years. All valuations were carried out by the Asset Valuation and Rating Manager of Cornwall Council. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest prices adjusted for the condition of the asset.

	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total £m
Carried at historical cost	2.373	7.559	0.719	-	7.295	17.946
Valued at fair value as at:						
31 March 2018	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-
31 March 2016	-	-	-	-	-	-
31 March 2015	-	-	-	113.846	-	113.846
31 March 2014	-	-	-	-	-	-
Net Book Value - Valuation Movements	2.373	7.559	0.719	113.846	7.295	131.791

Note 4 Inventories

	Chain & Materials		Tamar Tags		Fuel		Other		Total	
	2017/18 £m	2016/17 £m	2017/18 £m	2016/17 £m	2017/18 £m	2016/17 £m	2017/18 £m	2016/17 £m	2017/18 £m	2016/17 £m
Balance outstanding at start of year	0.343	0.328	0.045	0.103	0.020	0.041	0.080	0.156	0.488	0.628
Purchases	0.221	0.305	0.190	0.173	0.204	0.194	0.103	0.194	0.718	0.866
Recognised as an expense in the year	(0.161)	(0.290)	(0.182)	(0.231)	(0.170)	(0.215)	(0.122)	(0.270)	(0.635)	(1.006)
Balance at year end	0.403	0.343	0.053	0.045	0.054	0.020	0.061	0.080	0.571	0.488

Note 5 Usable Reserves

General Fund Reserve

The General Fund Reserve is a usable reserve, i.e. a reserve that the Joint Committee may use to provide services, subject to the need to maintain the reserve at a prudent level.

	31 March 2018 £m	31 March 2017 £m
General Fund Reserve	(5.001)	(5.123)
Total Usable Reserves	(5.001)	(5.123)

Note 6 Unusable Reserves

	2017/18 £m	2016/17 £m
Revaluation Reserve	(2.071)	(2.132)
Capital Adjustment Account	(103.795)	(104.338)
Pensions Reserve	7.556	7.571
Accumulated Absences Account	0.035	0.046
Total Unusable Reserves	(98.275)	(98.853)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Joint Committee arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the service provision and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Revaluation Reserve	2017/18		2016/17
	£m	£m	£m
Balance at 1 April		(2.132)	(2.311)
Upward revaluation of assets	-		-
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the Provision of Services	-		-
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services		-	-
Difference between fair value depreciation and historical cost depreciation	-		-
Adjustment to Capital Adjustment Account	0.061		0.179
Amount written off to the Reserve Held for Capital Adjustment Account		0.061	0.179
Balance at 31 March		(2.071)	(2.132)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Joint Committee to finance acquisitions, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Joint Committee. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2017/18	2016/17
	£m	£m
Balance at 1 April	(104.338)	(104.812)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	1.731	1.695
	1.731	1.695
Adjusting amounts written out of the Reserve Held for Revaluation	(0.061)	(0.179)
Net written out amount of the cost of non-current assets consumed in the year	1.670	1.516
Capital financing applied in the year:		
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(0.018)	-
Cornwall Council provision for the financing of capital investment charged against the General Fund	(1.109)	(1.042)
	(1.127)	(1.042)
Balance at 31 March	(103.795)	(104.338)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes **employer's contributions to pension funds or eventually pays any pensions for which it is** directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangement will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	2017/18 £m	2016/17 £m
Balance at 1 April	7.571	6.900
Remeasurements of the net defined benefit liability/(asset)	(0.692)	0.186
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1.390	1.184
Employer's pensions contributions and direct payments to pensioners payable in the year	(0.713)	(0.699)
Balance at 31 March	7.556	7.571

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact of the General Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	2017/18 £m	2016/17 £m
Balance at 1 April	0.046	0.040
Settlement or cancellation of accrual made at the end of the preceding year	(0.046)	(0.040)
Amounts accrued at the end of the current year	0.035	0.046
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(0.011)	0.006
Balance at 31 March	0.035	0.046

Note 7 Officers' Remuneration

The Joint Committee's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

		Salary, Fees and Allowances £	Bonuses £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
General Manager	2017/18	77,746				14,504	92,250
	2016/17	84,036	-	-	-	14,001	98,037
Bridge Operations Manager	2017/18	54,725				10,939	65,664
	2016/17	51,337	-	-	-	10,011	61,348
Engineering Manager	2017/18	51,504				10,295	61,799
	2016/17	48,062	-	-	-	9,366	57,428
Bridge Operations Manager	2017/18	51,862	-	-	-	10,424	62,286
	2016/17	49,722	-	-	-	9,740	59,462

Remuneration Bands (£):		Number of Employees	
From	To	2017/18	2016/17
50,000	54,999	3	1
55,000	59,999	-	-
60,000	64,999	-	-
65,000	69,999	-	-
70,000	74,999	-	-
75,000	79,999	-	-
80,000	84,999	1	1
85,000	89,999	-	-
		4	2

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band (b) + (c)		(e) Total cost of exit packages in each band	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
£0 - £20,000	-	-	-	1	-	1	-	12,371
£20,001 - £40,000	-	1	-	1	-	2	-	55,301
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Total cost included in bandings							0	67,672
Add: Amounts provided for in CIES not included in bandings							-	-
Total cost included in CIES							0	67,672

**Note
8**

Deferred Liabilities

The Joint Committee has a liability to Cornwall Council in respect of long term financing for capital expenditure, an element of which is payable within one year from the balance sheet date and which is therefore treated as a current liability. The repayment of this liability is made in the form of contributions to Cornwall Council's Minimum Revenue Provision (MRP).

	2017/18 £m	2016/17 £m
Balance at 1 April	18.631	18.014
New Advances	8.403	1.659
Repayments Due	(1.109)	(1.042)
Total	25.925	18.631
Of Which: Due within one year	(1.445)	(1.109)
Due after more than one year	(24.480)	(17.522)



Tamar Bridge and Torpoint Ferry Joint Committee

2016/17 Annual Financial Report and Statement of Accounts

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Explanatory Foreword from the Joint Treasurers

We are pleased to introduce the Tamar Bridge and Torpoint Ferry Joint Committee's Annual Financial Report and Statement of Accounts for 2016/17. The Joint Committee carry out the operation, maintenance and control of the Tamar Bridge and the Torpoint Ferries on behalf of Cornwall Council and Plymouth City Council.

This document provides a summary of the Joint Committee's financial affairs for the financial year 1 April 2016 to 31 March 2017 and the financial position at 31 March 2017.

1. The Financial Report and Statements

Our Annual Financial Report and Statement of Accounts includes the following financial statements and disclosure notes:

- **Explanatory Foreword** – from the Joint Treasurers. This provides a concise guide for the reader of the accounts of the most significant aspects of the Joint Committee's financial performance, year-end position and cash flows.
- **Statement of Accounts**
 - **Statement of Responsibilities** – this explains the different responsibilities relating to the Statement of Accounts and confirms their approval.
 - **The Main Financial Statements**
 - **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the Joint Committee.
 - **Comprehensive Income and Expenditure Statement** – this statement shows the net cost in the year of providing the Joint Committee services.
 - **Balance Sheet** – the Balance Sheet shows the value at 31 March 2017 of the assets and liabilities held by the Joint Committee.
 - **Notes to the Main Financial Statements** – these provide additional, more detailed information on certain issues included in the main financial statements.

Except where otherwise indicated, figures are presented in millions of pounds (£m) and are rounded to the nearest thousand pounds (£0.001m).

Financial Review of 2016/17

The Tamar Bridge and Torpoint Ferries are run as a self-funding joint undertaking by the Joint Committee on behalf of the parent authorities, Cornwall Council and Plymouth City Council. The only significant source of revenue generated by the Joint Committee is the revenue from tolls charged for using the crossings and it is therefore entirely dependent on this income stream to fund its day to day running costs and ongoing programme of repairs and maintenance.

A revised scale of tolls was implemented seven years ago. The additional income generated by the increased tolls brought the level of reserves above £2m, which continues to be considered as the minimum prudent level. However, due to increasing maintenance and operating costs, without further intervention the level of reserves is expected to gradually diminish towards the minimum prudent level during financial year 2019-2020.

The previous application to increase tolls recognised that a further increase would eventually be necessary and highlighted the critical nature of the level of financial reserves.

During previous financial years the Joint Committee gave consideration to a toll strategy, to ensure that the reserve levels stay above the agreed minimum. At the December 2013 Joint Committee it was resolved to recommend to the Cabinets of the Joint Councils to introduce a TamarTag account fee of 80p a month from April 2014 and this view was endorsed by both Councils in the first months of 2014. The account charge reflects the cost of providing tags, the operation of the prepaid electronic toll system and avoids the need for an increase in tolls paid by users for at least the next three years.

In 2016/17, operational expenditure was £8.061m, some £0.706m less than the original budget of £8.767m for the year. The budget was revised in December which reduced the planned expenditure to £8.544m, which provides a favourable variance of £0.483m.

The main reasons for the significant variance are:

- savings in staff costs due to delayed recruitment and higher than anticipated staff turnover;
- spend on main chain delayed until after the end of the financial year;
- spend on marine gas oil much lower than anticipated due to suppressed oil prices;
- slight delays in inspection routines and lower than expected maintenance painting costs;
- postponement of toll collection system works and related communication lines;
- ferry uniform supply delayed until April 2017.

The level of revenue raised was £11.091m, which is £0.045m higher than the original budget of £11.046, as traffic levels were slightly higher than anticipated in revised forecasts. At the operating level, a surplus of £3.030m was achieved in 2016/17.

From its income, the Joint Committee also has to fund its capital financing costs, which amounted to £1.839m for the year, a reduction from the £1.951m original budget. After taking these costs into account and a small amount of interest received on cash balances, the overall position was a surplus of £1.200m, compared to an original budgeted surplus of £0.334m

1.1 Comparison of Outturn Figures to Approved Budget

The table below provides a high level summary of the £1.200m surplus set out on the basis on which it was monitored during the year by the Joint Committee. This reflects the costs that the Joint Committee budgets for out of its revenues.

A number in brackets in the Variance from Budget column represents an underspend against the budget.

	Outturn £m	Original Budget £m	Variance from Budget £m
Operational Expenditure			
Bridge Operations	3.340	3.528	(0.188)
Ferry Operations	4.297	4.810	(0.513)
Corporate Expenditure	0.424	0.429	(0.005)
Sub-total	8.061	8.767	(0.706)
Operational Income			
Toll Income	(10.252)	(10.099)	(0.153)
Other Income	(0.839)	(0.947)	0.108
Sub-total	(11.091)	(11.046)	(0.045)
Net Operational Surplus	(3.030)	(2.279)	(0.751)
Other Expenditure			
Interest on Cornwall Council financing	0.797	0.903	(0.106)
Capital expenditure charged against revenue	-	-	-
Contribution to Cornwall Council's MRP	1.042	1.048	(0.006)
Sub-total	1.839	1.951	(0.112)
Income			
Interest on balances	(0.009)	(0.006)	(0.003)
Net Overall Surplus	(1.200)	(0.334)	(0.866)

1.2 Comparison of Outturn against the Comprehensive Income and Expenditure Statement

There is a difference between the outturn surplus against budget of £1.200m and the Deficit on Provision of Services of £0.056m as reported in the Comprehensive Income and Expenditure Statement (CIES) on page 13 of these Accounts.

This is because the Joint Committee is required to prepare its accounts in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 published by CIPFA. Under the Code, there are a number of notional (non-cash) costs that the Joint Committee is required to recognise in its CIES even though it is not required to meet these costs out of its cash revenues and therefore does not budget for them out of its General Fund (usable reserves).

The items that give rise to these different bases of reporting are identified in the table below:

	2016/17	
	£m	£m
Net overall surplus per Outturn		(1.200)
Depreciation		1.695
IAS19 pension adjustments	0.240	
Net interest expense	0.245	
		0.485
Increase in annual leave accrual		0.006
Contribution to Cornwall Council's MRP		(1.042)
(Surplus) or Deficit on Provision of Services		(0.056)

The items giving rise to the difference between the Joint Committee's reported outturn surplus for 2016/17 and the deficit on the CIES are explained below:

- Depreciation is not included in the budget outturn position but is a required charge to the CIES within the Statement of Accounts. The charge is reversed out in the Movement in Reserves Statement (MIRS) so as not to impact the Joint Committee's usable reserves.
- A net pension debit (as defined by International Accounting Standard 19) of £0.485m has been applied to the CIES, as required by regulation.
- An accrual for short-term compensated absences (annual leave) has been applied to the CIES, as required by regulation.
- The Joint Committee's contribution to Cornwall Council's Minimum Revenue Provision (MRP) can not be charged to the CIES.

Consequently, although the CIES shows a deficit on the provision of services of £.056m for the year, the Joint Committee's usable reserves position has improved by £1.200m.

2. Material Items of Income or Expense

There are no material Items of Income or Expense.

3. Pensions Assets and Liabilities

The Joint Committee participates in the Local Government Pension Scheme, administered locally by Cornwall Council. This is the combination of a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance pension liabilities with investment assets and career average revalued earnings scheme. The joint authorities are liable as employers for any deficit in the funding of the pension scheme.

The Joint Committee has fully adopted the provisions of International Accounting Standard 19 (IAS 19) in relation to accounting for post employment benefits. On the basis of valuation required by IAS 19, the Joint Committee's net pension liability at 31 March 2017 was £7.571m, up from £6.900m in March 2016. This should be considered alongside the level of usable reserves of £5.123m, up from £3.923m in March 2016 and total assets less liabilities of £103.976m, decreased from £104.106m in March 2016.

4. Capital Expenditure and Funding

In addition to our day to day running costs, the Joint Committee spends money on assets such as the bridge and ferries, vehicles and information and communications technology. Such expenditure is intended to contribute to service provision over a number of years and is defined as capital expenditure.

Capital expenditure tends to be characterised by large individual schemes, with expenditure often incurred over several financial years. Because of this, it is not normally controlled against a fixed annual budget as with revenue spending, but rather through a programme of approved schemes within a multi-year capital plan.

During 2016/17, actual capital spending was £1.659m (2015/16 £1.170m). The following table shows where the money was spent:

	2016/17 £m
Capital Expenditure	
Bridge Access Works	0.047
Bridge protective coating	1.516
Bridge Main Joint Replacement	0.091
Bridge Office Development	0.005
Bridge Weigh in Motion	
Total	1.659

This expenditure was funded through advances from Cornwall Council (£1.659m).

5. Current Borrowing Facilities and Capital Funding

The Joint Committee cannot legally borrow in its own right. However, the parent authorities have the power to borrow on its behalf and provide advances to the Joint Committee to fund its capital expenditure programme. In recent years, these advances have been made by Cornwall Council.

The Joint Committee pays interest to Cornwall Council at a rate reflecting the Council's own cost of borrowing. The Joint Committee also makes a contribution to Cornwall Council in respect of the Minimum Revenue Provision (MRP) charged by the Council in its own accounts to provide for future repayment of the funding advanced to the Joint Committee.

The level of contribution made will provide for repayment of the amounts advanced evenly over a 25 year period. This is considered by the Joint Treasurers to be a prudent basis on which to make that provision and complies with Cornwall Council's MRP policy. The advances are held in the Joint Committee's balance sheet as deferred liabilities, split between the elements payable within one year and more than one year from the balance sheet date.

Looking Ahead to 2017/18 and Beyond

The toll revision which came into effect in March 2010 has helped to increase the Joint Committee's reserves, to what is currently considered to be an appropriate level. This position has been further strengthened following the implementation of the TamarTag account fee which commenced in April 2014.

Significant savings have been incorporated into forward budgets to reflect revisions to the ferries' drydocking schedule. 2017 will be the final "fallow" year before drydocking recommences in 2018.

Substantial capital expenditure is programmed following the commencement of building work associated with the replacement of the bridge office, and the start of suspension system remedial works and replacement of bridge kerb/drainage units, along with the continuation of bridge recoating.

The growth in traffic levels, has brought higher than expected levels of income as cash payment recovered after the recession. Levels of cash payment now exceed 2009 levels but future income over the medium term is expected to be flat. Traffic is expected to return to trend levels from 2020.

It is important to note that a number of the 2016/17 savings relate to prudent and necessary delays in spending and there is an expectation of a correction in the position during the forthcoming years.

The Committee will continue to monitor its expenditure and overall financial position closely to ensure that it continues to deliver its services in a cost effective manner.

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Statement of Responsibilities

Our Responsibilities

We must:

- make sure that one of our officers is responsible for proper administration of our financial affairs. In our case the Joint Treasurers are responsible for doing this;
- manage our affairs so as to use our resources economically, efficiently and effectively and to protect our assets; and
- approve this Statement of Accounts

The Joint Treasurers responsibilities

The Joint Treasurers are responsible for preparing our Statement of Accounts in accordance with proper practices.

In preparing this Statement of Accounts, the Joint Treasurers have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Main Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (those that can be applied to fund expenditure) and other unusable reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance.

	General Fund Balance £m Notes	Total Usable Reserves £m	Unusable Reserves £m	Total Authority Reserves £m
	15		16	
Balance at 31 March 2015	(2.987)	(2.987)	(100.038)	(103.025)
Movement in reserves during 2015/16				
(Surplus) or deficit on the provision of services	0.279	0.279	-	0.279
Other Comprehensive Income and Expenditure	-	-	(1.360)	(1.360)
Total Comprehensive Income and Expenditure	0.279	0.279	(1.360)	(1.081)
Adjustments between accounts basis & funding basis	(1.215)	(1.215)	1.215	-
Exceptional adjustment for capital financing entries relating to prior years		-		-
Increase/Decrease in Year	(0.936)	(0.936)	(0.145)	(1.081)
Balance at 31 March 2016 carried forward	(3.923)	(3.923)	(100.183)	(104.106)
Movement in reserves during 2016/17				
(Surplus) or deficit on the provision of services	(0.056)	(0.056)	-	(0.056)
Other Comprehensive Income and Expenditure		-	0.186	0.186
Total Comprehensive Income and Expenditure	(0.056)	(0.056)	0.186	0.130
Adjustments between accounts basis & funding basis	(1.144)	(1.144)	1.144	-
Increase/Decrease in Year	(1.200)	(1.200)	1.330	0.130
Balance at 31 March 2017 carried forward	(5.123)	(5.123)	(98.853)	(103.976)

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from toll income.

	2016/17 £m	2015/16 £m
Gross Expenditure	10.002	10.332
Gross Income	(11.091)	(11.087)
Cost of services	(1.089)	(0.755)
Financing and investment income and expenditure	1.033	1.034
(Surplus) or deficit on provision of services	(0.056)	0.279
(Surplus) or deficit on revaluation of property, plant and equipment	-	-
Remeasurement of the net defined benefit liability/(asset)	0.186	(1.360)
Other comprehensive income and expenditure	0.186	(1.360)
Total comprehensive income and expenditure	0.130	(1.081)

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Joint Committee at 31 March. The net assets are matched by usable and unusable reserves.

	31 March 2017 £m	31 March 2016 £m	Notes
Property, Plant and Equipment	125.101	125.137	3
Long Term Assets	125.101	125.137	
Cash and Cash Equivalents	5.604	4.867	
Inventories	0.488	0.628	4
Short Term Debtors	1.421	2.757	
Current Assets	7.513	8.252	
Deferred Liabilities - Short Term	(1.109)	(1.042)	8
Short Term Creditors	(2.436)	(4.369)	
Current Liabilities	(3.545)	(5.411)	
Deferred Liabilities - Long Term	(17.522)	(16.972)	8
Other Long Term Liabilities - Pensions	(7.571)	(6.900)	
Long Term Liabilities	(25.093)	(23.872)	
Net Assets	103.976	104.106	
Usable Reserves	(5.123)	(3.923)	5
Unusable Reserves	(98.853)	(100.183)	6
Total Reserves	(103.976)	(104.106)	

Notes to the Main Financial Statements

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**Note
1**

Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Joint Committee's Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are included on the basis of valuations and assessed useful lives determined by Cornwall Council's Chief Valuer on the basis of condition surveys and standards of professional practice set out by the Royal Institute of Chartered Surveyors (RICS). The assumptions underlying such valuations and the assessment of useful lives are subject to revision and the valuation would therefore be expected to change accordingly. The carrying value of these long term assets at the end of the reporting period was £125.101m.	<p>The impact of a change in valuation or useful life would be to affect the carrying value of the asset in the balance sheet and the charge for depreciation or impairment in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, and expected return on pension fund assets. Cornwall Council, the administrators of the Joint Committee's pension arrangements have engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The carrying value of this long term liability was (£7.571m).	<p>The impact of a change in the actuarial assumptions will be to increase or decrease the net pension liability shown in the balance sheet and the cost shown in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Note 2 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future capital and revenue expenditure.

Adjustments in 2016/17	General Fund Balance £m	Movement in Unusable Reserves £m
Adjustments primarily involving the Reserve Held for Capital Adjustment Account:		
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non current assets	(1.695)	1.695
Revaluation losses on Property, Plant and Equipment		-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Contribution to Cornwall Council MRP	1.042	(1.042)
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1.184)	1.184
Employer's pensions contributions and direct payments to pensioners payable in the year	0.699	(0.699)
Adjustment primarily involving the Reserve Held for Accumulated Absences Account:		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year	(0.006)	0.006
Total Adjustments	(1.144)	1.144

Note 3 Property, Plant and Equipment

The main assets held by the Joint Committee and reflected in its balance sheet are set out below:

- Tamar Bridge - The Tamar Bridge and approach roads, associated land and offices.
- Torpoint Ferries - The three Torpoint ferries (Plym II, Tamar II and Lynher II) and landing stages, associated land and offices.
- Joint / Other - Rendell Park, Torpoint, Electronic Toll System and Advance Traffic Signage System

Movements on Balances 2016/17	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2016	2.668	18.749	0.776	113.399	1.496	137.088
Additions	-	-	-	-	1.659	1.659
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the surplus/deficit on the Provision of services	-	-	-	-	-	-
Other movements in cost or valuation	-	-	-	-	-	-
At 31 March 2017	2.668	18.749	0.776	113.399	3.155	138.747
Accumulated Depreciation and Impairment						
At 1 April 2016	(0.155)	(9.852)	(0.061)	(1.883)	-	(11.951)
Depreciation charge	(0.072)	(0.669)	(0.009)	(0.945)	-	(1.695)
Depreciation written out to the surplus/deficit on the Provision of Services	-	-	-	-	-	-
At 31 March 2017	(0.227)	(10.521)	(0.070)	(2.828)	-	(13.646)
Net Book Value						
at 31 March 2017	2.441	8.228	0.706	110.571	3.155	125.101
at 31 March 2016	2.513	8.897	0.715	111.516	1.496	125.137

Comparative Movements in 2015/16	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2015	2.668	18.712	0.776	112.500	1.262	135.918
Additions	-	0.003	-	0.373	0.794	1.170
Donations	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the surplus/deficit on the Provision of services	-	-	-	-	-	-
Derecognition - disposals	-	-	-	-	-	-
Derecognition - other	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-
Other movements in cost or valuation	-	0.034	-	0.526	(0.560)	-
At 31 March 2016	2.668	18.749	0.776	113.399	1.496	137.088
Accumulated Depreciation and Impairment						
At 1 April 2015	(0.083)	(9.184)	(0.052)	(0.938)	-	(10.257)
Depreciation charge	(0.072)	(0.668)	(0.009)	(0.945)	-	(1.694)
Depreciation written out to the Revaluation Reserve	-	-	-	-	-	-
Depreciation written out to the surplus/deficit on the Provision of Services	-	-	-	-	-	-
At 31 March 2016	(0.155)	(9.852)	(0.061)	(1.883)	-	(11.951)
Net Book Value						
at 31 March 2016	2.513	8.897	0.715	111.516	1.496	125.137
at 31 March 2015	2.585	9.528	0.724	111.562	1.262	125.661

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – offices 30-35 years, ferry waiting area 35 years
- Vehicles, plant, furniture and equipment – Torpoint ferries 25 years, IT equipment 5 years
- Infrastructure – approach road 40 years
- Infrastructure (Toll Bridge) – Tamar Bridge 120 years.

Revaluations

The Joint Committee carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least very five years. All valuations were carried out by the Asset Valuation and Rating Manager of Cornwall Council. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest prices adjusted for the condition of the asset.

	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total £m
Carried at historical cost	2.441	8.228	0.706	-	3.155	14.530
Valued at fair value as at:						
31 March 2017	-	-	-	-	-	-
31 March 2016	-	-	-	-	-	-
31 March 2015	-	-	-	110.571	-	110.571
31 March 2014	-	-	-	-	-	-
31 March 2013	-	-	-	-	-	-
31 March 2012	-	-	-	-	-	-
31 March 2011	-	-	-	-	-	-
Net Book Value - Valuation Movements	2.441	8.228	0.706	110.571	3.155	125.101

Note 4 Inventories

	Chain & Materials		Tamar Tags		Fuel		Other		Total	
	2016/17 £m	2015/16 £m	2016/17 £m	2015/16 £m	2016/17 £m	2015/16 £m	2016/17 £m	2015/16 £m	2016/17 £m	2015/16 £m
Balance outstanding at start of year	0.328	0.334	0.103	0.153	0.041	0.052	0.156	0.109	0.628	0.648
Purchases	0.305	0.589	0.173	0.160	0.194	0.190	0.194	0.409	0.866	1.348
Recognised as an expense in the year	(0.290)	(0.595)	(0.231)	(0.210)	(0.215)	(0.201)	(0.270)	(0.362)	(1.006)	(1.368)
Balance at year end	0.343	0.328	0.045	0.103	0.020	0.041	0.080	0.156	0.488	0.628

Note 5 Usable Reserves

General Fund Reserve

The General Fund Reserve is a usable reserve, ie a reserve that the Joint Committee may use to provide services, subject to the need to maintain the reserve at a prudent level.

	31 March 2017 £m	31 March 2016 £m
General Fund Reserve	(5.123)	(3.923)
Total Usable Reserves	(5.123)	(3.923)

Note 6 Unusable Reserves

	2016/17 £m	2015/16 £m
Revaluation Reserve	(2.132)	(2.311)
Capital Adjustment Account	(104.338)	(104.812)
Pensions Reserve	7.571	6.900
Accumulated Absences Account	0.046	0.040
Total Unusable Reserves	(98.853)	(100.183)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Joint Committee arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the service provision and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Revaluation Reserve	2016/17		2015/16
	£m	£m	£m
Balance at 1 April		(2.311)	(2.311)
Upward revaluation of assets	-		
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the Provision of Services	-		
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services		-	-
Difference between fair value depreciation and historical cost depreciation	-		
Adjustment to Capital Adjustment Account	0.179		
Amount written off to the Reserve Held for Capital Adjustment Account		0.179	-
Balance at 31 March		(2.132)	(2.311)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Joint Committee to finance acquisitions, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Joint Committee. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2016/17 £m	2015/16 £m
Balance at 1 April	(104.812)	(105.511)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	1.695	1.694
Revaluation losses on Property, Plant and Equipment	-	
	1.695	1.694
Adjusting amounts written out of the Reserve Held for Revaluation	(0.179)	-
Net written out amount of the cost of non-current assets consumed in the year	1.516	1.694
Capital financing applied in the year:		
Cornwall Council provision for the financing of capital investment charged against the General Fund	(1.042)	(0.995)
Capital expenditure charged against the General Fund	-	
Material Item:		
Adjustment for capital financing entries relating to prior years	-	
	(1.042)	(0.995)
Balance at 31 March	(104.338)	(104.812)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangement will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	2016/17 £m	2015/16 £m
Balance at 1 April	6.900	7.758
Remeasurements of the net defined benefit liability/(asset)	0.186	(1.360)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1.184	1.113
Employer's pensions contributions and direct payments to pensioners payable in the year	(0.699)	(0.611)
Balance at 31 March	7.571	6.900

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact of the General Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	2016/17 £m	2015/16 £m
Balance at 1 April	0.040	0.026
Settlement or cancellation of accrual made at the end of the preceding year	(0.040)	(0.026)
Amounts accrued at the end of the current year	0.046	0.040
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.006	0.014
Balance at 31 March	0.046	0.040

Note 7 Officers' Remuneration

The Joint Committee's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

		Salary, Fees and Allowances £	Bonuses £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
General Manager	2016/17	84,036	-	-	-	14,001	98,037
	2015/16	76,372	-	-	-	13,521	89,893
Bridge Operations Manager	2016/17	51,337	-	-	-	10,011	61,348
	2015/16	55,974	-	-	-	10,586	66,560
Engineering Manager	2016/17	0	-	-	-	0	0
	2015/16	50,509	-	-	-	9,597	60,106

Remuneration Bands (£):		Number of Employees	
From	To	2016/17	2015/16
50,000	54,999	1	1
55,000	59,999	-	1
60,000	64,999	-	-
65,000	69,999	-	-
70,000	74,999	-	-
75,000	79,999	-	1
80,000	84,999	1	-
85,000	89,999	-	-
		2	3

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band (b) + (c)		(e) Total cost of exit packages in each band	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
£0 - £20,000	-	-	1	-	1	-	12,371	-
£20,001 - £40,000	1	-	1	-	2	-	55,301	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
Total cost included in bandings							67,672	-
Add: Amounts provided for in CIES not included in bandings							-	-
Total cost included in CIES							67,672	

Note 8 Deferred Liabilities

The Joint Committee has a liability to Cornwall Council in respect of long term financing for capital expenditure, an element of which is payable within one year from the balance sheet date and which is therefore treated as a current liability. The repayment of this liability is made in the form of contributions to Cornwall Council's Minimum Revenue Provision (MRP).

	2016/17 £m	2015/16 £m
Balance at 1 April	18.014	17.839
New Advances	1.659	1.170
Repayments Due	(1.042)	(0.995)
Total	18.631	18.014
Of Which: Due within one year	(1.109)	(1.042)
Due after more than one year	(17.522)	(16.972)



Tamar Bridge and Torpoint Ferry Joint Committee

2015/16 Annual Financial Report and Statement of Accounts

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Explanatory Foreword from the Joint Treasurers

We are pleased to introduce the Tamar Bridge and Torpoint Ferry Joint Committee's Annual Financial Report and Statement of Accounts for 2015/16. The Joint Committee carry out the operation, maintenance and control of the Tamar Bridge and the Torpoint Ferries on behalf of Cornwall Council and Plymouth City Council.

This document provides a summary of the Joint Committee's financial affairs for the financial year 1 April 2015 to 31 March 2016 and the financial position at 31 March 2016.

1. The Financial Report and Statements

Our Annual Financial Report and Statement of Accounts includes the following financial statements and disclosure notes:

- **Explanatory Foreword** – from the Joint Treasurers. This provides a concise guide for the reader of the accounts of the most significant aspects of the Joint Committee's financial performance, year-end position and cash flows.
- **Statement of Accounts**
 - **Statement of Responsibilities** – this explains the different responsibilities relating to the Statement of Accounts and confirms their approval.
 - **The Main Financial Statements**
 - **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the Joint Committee.
 - **Comprehensive Income and Expenditure Statement** – this statement shows the net cost in the year of providing the Joint Committee services.
 - **Balance Sheet** – the Balance Sheet shows the value at 31 March 2016 of the assets and liabilities held by the Joint Committee.
 - **Notes to the Main Financial Statements** – these provide additional, more detailed information on certain issues included in the main financial statements.

Except where otherwise indicated, figures are presented in millions of pounds (£m) and are rounded to the nearest thousand pounds (£0.001m).

2. Financial Review of 2015/16

The Tamar Bridge and Torpoint Ferries are run as a self-funding joint undertaking by the Joint Committee on behalf of the parent authorities, Cornwall Council and Plymouth City Council. The only significant source of revenue generated by the Joint Committee is the revenue from tolls charged for using the crossings and it is therefore entirely dependent on this income stream to fund its day to day running costs and ongoing programme of repairs and maintenance.

A revised scale of tolls was implemented six years ago. The additional income generated by the increased tolls brought the level of reserves above £2m, which continues to be considered as the minimum prudent level. However, due to increasing maintenance and operating costs, without further intervention the level of reserves is expected to gradually diminish towards the minimum prudent level over the next few years.

The previous application to increase tolls recognised that a further increase would eventually be necessary and highlighted the critical nature of the level of financial reserves.

During previous financial years the Joint Committee gave consideration to a toll strategy, to ensure that the reserve levels stay above the agreed minimum. At the December 2013 Joint Committee it was resolved to recommend to the Cabinets of the Joint Councils to introduce a TamarTag account fee of 80p a month from April 2014 and this view was endorsed by both Councils in the first months of 2014. The account charge reflects the cost of providing tags, the operation of the prepaid electronic toll system and avoids the need for an increase in tolls paid by users for at least the next three years.

In 2015/16, operational expenditure was £8.374m, some £0.981m less than the original budget of £9.355m for the year. The budget was revised in December which reduced the planned expenditure to £9.281m, which provides a variance of £0.907m. The main reasons for the significant variance are; the new bridge inspection contract was let later than expected and at a lower than anticipated price. The scheduled inspections during the Winter months of 2015/16 were then postponed due to prolonged poor weather, unused contingencies within the bridge structural maintenance budgets, lower marine fuel costs, postponement of individual upgrades to toll collection equipment so that the works could be consolidated as a single, more substantial project and reassessment of infrastructure works at Torpoint led to a reprogramming following appointment of a new operations and technical management team.

The level of revenue raised was £11.087m, which is £0.302m higher than the original budget of £10.785m, as traffic levels have improved beyond revised forecasts and with continued growth in cash receipts following several years of significant recession related reduction in this payment method. At the operating level, a surplus of £2.713m was achieved in 2015/16. From its income, the Joint Committee also has to fund its capital financing costs, which amounted to £1.786m for the year, slightly reduced from the £1.881m original budget. After taking these costs into account and a small amount of interest received on cash balances, the overall position was a surplus of £0.936m, compared to an original budgeted deficit of £0.438m.

2.1 Comparison of Outturn Figures to Approved Budget

The table below provides a high level summary of the £0.936m surplus set out on the basis on which it was monitored during the year by the Joint Committee. This reflects the costs that the Joint Committee budgets for out of its revenues.

A number in brackets in the Variance from Budget column represents an underspend against the budget.

	Outturn £m	Original Budget £m	Variance from Budget £m
Operational Expenditure			
Bridge Operations	2.942	3.644	(0.702)
Ferry Operations	5.011	5.207	(0.196)
Corporate Expenditure	0.421	0.504	(0.083)
Sub-total	8.374	9.355	(0.981)
Operational Income			
Toll Income	(10.101)	(9.873)	(0.228)
Other Income	(0.986)	(0.912)	(0.074)
Sub-total	(11.087)	(10.785)	(0.302)
Net Operational Surplus	(2.713)	(1.430)	(1.283)
Other Expenditure			
Interest on Cornwall Council financing	0.791	0.906	(0.115)
Contribution to Cornwall Council's MRP	0.995	0.975	0.020
Sub-total	1.786	1.881	(0.095)
Income			
Interest on balances	(0.009)	(0.013)	0.004
Net Overall Surplus	(0.936)	0.438	(1.374)

2.2 Comparison of Outturn against the Comprehensive Income and Expenditure Statement

There is a difference between the outturn surplus against budget of £0.936m and the Deficit on Provision of Services of £0.279m as reported in the Comprehensive Income and Expenditure Statement (CIES) on page 13 of these Accounts.

This is because the Joint Committee is required to prepare its accounts in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 published by CIPFA. Under the Code, there are a number of notional (non-cash) costs that the Joint Committee is required to recognise in its CIES even though it is not required to meet these costs out of its cash revenues and therefore does not budget for them out of its General Fund (usable reserves).

The items that give rise to these different bases of reporting are identified in the table below:

	£m	£m
Net overall surplus per Outturn		(0.936)
Depreciation		1.694
IAS19 pension adjustments	0.249	
Net interest expense	0.253	
		0.502
Increase in annual leave accrual		0.014
Contribution to Cornwall Council's MRP		(0.995)
(Surplus) or Deficit on Provision of Services		0.279

The items giving rise to the difference between the Joint Committee's reported outturn surplus for 2015/16 and the deficit on the CIES are explained below:

- Depreciation is not included in the budget outturn position but is a required charge to the CIES within the Statement of Accounts. The charge is reversed out in the Movement in Reserves Statement (MIRS) so as not to impact the Joint Committee's usable reserves.
- A net pension debit (as defined by International Accounting Standard 19) of £0.502m has been applied to the CIES, as required by regulation.
- An accrual for short-term compensated absences (annual leave) has been applied to the CIES, as required by regulation.
- The Joint Committee's contribution to Cornwall Council's Minimum Revenue Provision (MRP) can not be charged to the CIES.

Consequently, although the CIES shows a deficit on the provision of services of £0.279m for the year, the Joint Committee's usable reserves position has improved by £0.936m.

3. Material Items of Income or Expense

There are no material Items of Income or Expense .

4. Pensions Assets and Liabilities

The Joint Committee participates in the Local Government Pension Scheme, administered locally by Cornwall Council. This is a combination of a funded defined benefit final salary scheme and a Career Average Revalued Earnings (CARE) scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to

balance pension liabilities with investment assets. The joint authorities are liable as employers for any deficit in the funding of the pension scheme.

The Joint Committee has fully adopted the provisions of International Accounting Standard 19 (IAS 19) in relation to accounting for post employment benefits. On the basis of valuation required by IAS 19, the Joint Committee's net pension liability at 31 March 2016 was £6.900m, down from £7.758m in March 2015. This should be considered alongside the level of usable reserves of £3.923m, up from £2.987m in March 2015 and total assets less liabilities of £104.106m, increased from £103.025m in March 2015.

5. Capital Expenditure and Funding

In addition to our day to day running costs, the Joint Committee spends money on assets such as the bridge and ferries, vehicles and information and communications technology. Such expenditure is intended to contribute to service provision over a number of years and is defined as capital expenditure.

Capital expenditure tends to be characterised by large individual schemes, with expenditure often incurred over several financial years. Because of this, it is not normally controlled against a fixed annual budget as with revenue spending, but rather through a programme of approved schemes within a multi-year capital plan.

During 2015/16, actual capital spending was £1.170m (2014/15 £1.096m). The following table shows where the money was spent:

	2015/16 £m
Capital Expenditure	
Bridge Access Works	0.127
Bridge protective coating	0.576
Bridge Main Joint Replacement	0.246
Bridge Office Development	0.218
Bridge Weigh in Motion	0.003
Total	1.170

This expenditure was funded through advances from Cornwall Council (£1.170m).

6. Current Borrowing Facilities and Capital Funding

The Joint Committee cannot legally borrow in its own right. However, the parent authorities have the power to borrow on its behalf and provide advances to the Joint Committee to fund its capital expenditure programme. In recent years, these advances have been made by Cornwall Council.

The Joint Committee pays interest to Cornwall Council at a rate reflecting the Council's own cost of borrowing. The Joint Committee also makes a contribution to Cornwall Council in respect of the Minimum Revenue Provision (MRP) charged by the Council in its own accounts to provide for future repayment of the funding advanced to the Joint Committee.

The level of contribution made will provide for repayment of the amounts advanced evenly over a 25 year period. This is considered by the Joint Treasurers to be a prudent basis on which to make that provision and complies with Cornwall Council's MRP policy. The advances are held in the Joint Committee's balance sheet as deferred liabilities, split between the elements payable within one year and more than one year from the balance sheet date.

7. Looking Ahead to 2015/16 and Beyond

The toll revision which came into effect in March 2010 has helped to increase the Joint Committee's reserves, to what is currently considered to be an appropriate level. This position has been further strengthened following the implementation of the TamarTag account fee which commenced in April 2014.

Significant savings are anticipated from recent revisions to the ferries' drydocking schedule. 2016 and 2017 will be "fallow" years when no drydocking will be required.

Substantial capital expenditure is programmed with the commencement of building work associated with the replacement of the bridge office, replacement of bridge kerb/drainage units and the continuation of bridge recoating.

The growth in traffic levels, has brought higher than expected levels of income as cash payment recovered after the recession. Levels of cash payment are now exceed 2009 levels and future income is expected to grow at 1% in line with the rate of overall traffic growth forecast for the period up to 2019.

A noticeable element of the 2015/16 underspends resulted from prudent delays in commencing or completing projects and there is an expectation of a correction in the position during the forthcoming years.

The Committee will continue to monitor its expenditure and overall financial position closely to ensure that it continues to deliver its services in a cost effective manner.

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Statement of Responsibilities

Our Responsibilities

We must:

- make sure that one of our officers is responsible for proper administration of our financial affairs. In our case the Joint Treasurers are responsible for doing this;
- manage our affairs so as to use our resources economically, efficiently and effectively and to protect our assets; and
- approve this Statement of Accounts.

The Joint Treasurers responsibilities

The Joint Treasurers are responsible for preparing our Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Joint Treasurers have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code, except for the use of depreciated replacement cost (DRC) valuation basis with infrastructure for the toll bridge.

The Joint Treasurers have also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Main Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (those that can be applied to fund expenditure) and other unusable reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance.

	General Fund Balance £m 15	Total Usable Reserves £m	Unusable Reserves £m 16	Total Authority Reserves £m	Notes
Balance at 31 March 2014	(4.307)	(4.307)	(192.406)	(196.713)	
Movement in reserves during 2014/15					
(Surplus) or deficit on the provision of services	79.984	79.984	-	79.984	
Other Comprehensive Income and Expenditure	-	-	13.704	13.704	
Total Comprehensive Income and Expenditure	79.984	79.984	13.704	93.688	
Adjustments between accounts basis & funding basis	(80.828)	(80.828)	80.828	-	
Exceptional adjustment for capital financing entries relating to prior years	2.164	2.164	(2.164)	-	
Increase/Decrease in Year	1.320	1.320	92.368	93.688	
Balance at 31 March 2015 carried forward	(2.987)	(2.987)	(100.038)	(103.025)	
Movement in reserves during 2015/16					
(Surplus) or deficit on the provision of services	0.279	0.279	-	0.279	
Other Comprehensive Income and Expenditure	-	-	(1.360)	(1.360)	
Total Comprehensive Income and Expenditure	0.279	0.279	(1.360)	(1.081)	
Adjustments between accounts basis & funding basis	(1.215)	(1.215)	1.215	-	
Increase/Decrease in Year	(0.936)	(0.936)	(0.145)	(1.081)	
Balance at 31 March 2016 carried forward	(3.923)	(3.923)	(100.183)	(104.106)	

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from toll income.

	2015/16 £m	2014/15 £m
Gross Expenditure	10.332	12.917
Exceptional revaluation loss of Tamar Toll Bridge	-	77.044
Gross Income	(11.087)	(10.979)
Cost of services	(0.755)	78.982
Financing and investment income and expenditure	1.034	1.002
(Surplus) or deficit on provision of services	0.279	79.984
(Surplus) or deficit on revaluation of property, plant and equipment	-	11.606
Remeasurement of the net defined benefit liability/(asset)	(1.360)	2.098
Other comprehensive income and expenditure	(1.360)	13.704
Total comprehensive income and expenditure	(1.081)	93.688

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Joint Committee at 31 March. The net assets are matched by usable and unusable reserves.

	31 March 2016 £m	31 March 2015 £m	Notes
Property, Plant and Equipment	125.137	125.661	3
Long Term Assets	125.137	125.661	
Cash and Cash Equivalents	4.867	2.742	
Inventories	0.628	0.648	4
Short Term Debtors	2.757	1.555	
Current Assets	8.252	4.945	
Deferred Liabilities - Short Term	(1.042)	(0.995)	8
Short Term Creditors	(4.369)	(1.984)	
Current Liabilities	(5.411)	(2.979)	
Deferred Liabilities - Long Term	(16.972)	(16.844)	8
Other Long Term Liabilities - Pensions	(6.900)	(7.758)	
Long Term Liabilities	(23.872)	(24.602)	
Net Assets	104.106	103.025	
Usable Reserves	(3.923)	(2.987)	5
Unusable Reserves	(100.183)	(100.038)	6
Total Reserves	(104.106)	(103.025)	

Notes to the Main Financial Statements

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**Note
1**

Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Joint Committee's Balance Sheet at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are included on the basis of valuations and assessed useful lives determined by Cornwall Council's Chief Valuer on the basis of condition surveys and standards of professional practice set out by the Royal Institute of Chartered Surveyors (RICS). The assumptions underlying such valuations and the assessment of useful lives are subject to revision and the valuation would therefore be expected to change accordingly. The carrying value of these long term assets at the end of the reporting period was £125.137m.	<p>The impact of a change in valuation or useful life would be to affect the carrying value of the asset in the balance sheet and the charge for depreciation or impairment in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, and expected return on pension fund assets. Cornwall Council, the administrators of the Joint Committee's pension arrangements have engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The carrying value of this long term liability was (£6.900m).	<p>The impact of a change in the actuarial assumptions will be to increase or decrease the net pension liability shown in the balance sheet and the cost shown in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Note 2 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future capital and revenue expenditure.

Adjustments in 2015/16	General Fund Balance £m	Movement in Unusable Reserves £m
Adjustments primarily involving the Reserve Held for Capital Adjustment Account:		
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non current assets	(1.694)	1.694
Revaluation losses on Property, Plant and Equipment	-	-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Capital expenditure charged against the General Fund	-	-
Contribution to Cornwall Council MRP	0.995	(0.995)
Exceptional adjustment for capital financing entries relating to prior years	-	-
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1.113)	1.113
Employer's pensions contributions and direct payments to pensioners payable in the year	0.611	(0.611)
Adjustment primarily involving the Reserve Held for Accumulated Absences Account:		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year	(0.014)	0.014
Total Adjustments	(1.215)	1.215

Adjustments in 2014/15	General Fund Balance £m	Movement in Unusable Reserves £m
Adjustments primarily involving the Reserve Held for Capital Adjustment Account:		
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non current assets	(1.686)	1.695
Revaluation losses on Property, Plant and Equipment	(79.838)	-
Movements in the market value of Investment Properties	-	-
Amortisation of intangible assets	-	-
Capital grants and contributions applied	-	-
Movement in the Donated Assets Account	-	-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Capital expenditure charged against the General Fund	0.081	-
Contribution to Cornwall Council MRP	0.955	(0.955)
Exceptional adjustment for capital financing entries relating to prior years	2.164	-
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(0.905)	0.860
Employer's pensions contributions and direct payments to pensioners payable in the year	0.567	(0.611)
Adjustment primarily involving the Reserve Held for Accumulated Absences Account:		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year	(0.002)	0.014
Total Adjustments	(78.664)	1.003

Note 3 Property, Plant and Equipment

The main assets held by the Joint Committee and reflected in its balance sheet are set out below:

- Tamar Bridge - The Tamar Bridge and approach roads, associated land and offices.
- Torpoint Ferries - The three Torpoint ferries (Plym II, Tamar II and Lynher II) and landing stages, associated land and offices.
- Joint / Other - Rendell Park, Torpoint, Electronic Toll System and Advance Traffic Signage System

Movements on Balances 2015/16	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2015	2.668	18.712	0.776	112.500	1.262	135.918
Additions	-	0.003	-	0.373	0.794	1.170
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the surplus/deficit on the Provision of services	-	-	-	-	-	-
Other movements in cost or valuation	-	0.034	-	0.526	(0.560)	-
At 31 March 2016	2.668	18.749	0.776	113.399	1.496	137.088
Accumulated Depreciation and Impairment						
At 1 April 2015	(0.083)	(9.184)	(0.052)	(0.938)	-	(10.257)
Depreciation charge	(0.072)	(0.668)	(0.009)	(0.945)	-	(1.694)
Depreciation written out to the surplus/deficit on the Provision of Services	-	-	-	-	-	-
At 31 March 2016	(0.155)	(9.852)	(0.061)	(1.883)	-	(11.951)
Net Book Value						
at 31 March 2016	2.513	8.897	0.715	111.516	1.496	125.137
at 31 March 2015	2.585	9.528	0.724	111.562	1.262	125.661

Comparative Movements in 2014/15	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2014	4.458	18.639	0.340	221.586	0.286	245.309
Additions	-	0.073	0.047	-	0.976	1.096
Other movements in cost or valuation	(0.389)	-	0.389	-	-	-
At 31 March 2015	2.668	18.712	0.776	112.500	1.262	135.918
Accumulated Depreciation and Impairment						
At 1 April 2014	(0.644)	(8.517)	(0.043)	(18.411)	-	(27.615)
Depreciation charge	(0.072)	(0.667)	(0.009)	(0.938)	-	(1.686)
Depreciation written out to the Revaluation Reserve	-	-	-	-	-	-
Depreciation written out to the surplus/deficit on the Provision of Services	0.633	-	-	18.411	-	19.044
At 31 March 2015	(0.083)	(9.184)	(0.052)	(0.938)	-	(10.257)
Net Book Value						
at 31 March 2015	2.585	9.528	0.724	111.562	1.262	125.661
at 31 March 2014	3.814	10.122	0.297	203.175	0.286	217.694

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – offices 30-35 years, ferry waiting area 35 years
- Vehicles, plant, furniture and equipment – Torpoint ferries 25 years, IT equipment 5 years
- Infrastructure – approach road 40 years
- Infrastructure (Toll Bridge) – Tamar Bridge 120 years.

Revaluations

The Joint Committee carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least very five years. All valuations were carried out by the Asset Valuation and Rating Manager of Cornwall Council. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest prices adjusted for the condition of the asset.

	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total £m
Carried at historical cost	-	8.897	0.715	-	1.496	11.108
Valued at fair value as at:						
31 March 2016	2.513	-	-	111.516	-	-
31 March 2015	-	-	-	-	-	-
31 March 2014	-	-	-	-	-	-
31 March 2013	-	-	-	-	-	-
31 March 2012	-	-	-	-	-	-
31 March 2011	-	-	-	-	-	-
Net Book Value - Valuation Movements	2.513	8.897	0.715	111.516	1.496	125.137

Note 4 Inventories

	Chain & Materials		Tamar Tags		Fuel		Other		Total	
	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m
Balance outstanding at start of year	0.334	0.382	0.153	0.006	0.052	0.054	0.109	0.053	0.648	0.495
Purchases	0.589	0.274	0.160	0.370	0.190	0.216	0.409	0.444	1.348	1.304
Recognised as an expense in the year	(0.595)	(0.322)	(0.210)	(0.223)	(0.201)	(0.218)	(0.362)	(0.388)	(1.368)	(1.151)
Balance at year end	0.328	0.334	0.103	0.153	0.041	0.052	0.156	0.109	0.628	0.648

Note 5 Usable Reserves

General Fund Reserve

The General Fund Reserve is a usable reserve, ie a reserve that the Joint Committee may use to provide services, subject to the need to maintain the reserve at a prudent level.

	2015/16 £m	2014/15 £m
Balance at 1 April	(2.987)	(4.307)
Transfer to / (from) the Comprehensive Income and Expenditure Statement	(0.936)	(0.844)
Adjustment for capital financing entries relating to prior years	0	2.164
Balance at 31 March	(3.923)	(2.987)

Note 6 Unusable Reserves

	2015/16 £m	2014/15 £m
Revaluation Reserve	(2.311)	(2.311)
Capital Adjustment Account	(104.812)	(105.511)
Pensions Reserve	6.900	7.758
Accumulated Absences Account	0.040	0.026
Total Unusable Reserves	(100.183)	(100.038)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Joint Committee arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the service provision and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Revaluation Reserve	2015/16		2014/15
	£m	£m	£m
Balance at 1 April		(2.311)	(13.899)
Upward revaluation of assets	-		(2.142)
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the Provision of Services	-		13.748
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services		-	11.606
Difference between fair value depreciation and historical cost depreciation	-		
Adjustment to Capital Adjustment Account	-		(0.018)
Amount written off to the Reserve Held for Capital Adjustment Account		-	(0.018)
Balance at 31 March		(2.311)	(2.311)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Joint Committee to finance acquisitions, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Joint Committee. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2015/16 £m	2014/15 £m
Balance at 1 April	(105.511)	(183.853)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	1.694	1.686
Revaluation losses on Property, Plant and Equipment	-	79.838
		81.524
Adjusting amounts written out of the Reserve Held for Revaluation	-	0.018
Net written out amount of the cost of non-current assets consumed in the year	1.694	81.542
Capital financing applied in the year:		
Cornwall Council provision for the financing of capital investment charged against the General Fund	(0.995)	(0.955)
Capital expenditure charged against the General Fund	-	(0.081)
Material Item:		
Adjustment for capital financing entries relating to prior years	-	(2.164)
	(0.995)	(3.200)
Balance at 31 March	(104.812)	(105.511)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangement will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	2015/16 £m	2014/15 £m
Balance at 1 April	7.758	5.322
Remeasurements of the net defined benefit liability/(asset)	(1.360)	2.098
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1.113	0.905
Employer's pensions contributions and direct payments to pensioners payable in the year	(0.611)	(0.567)
Balance at 31 March	6.900	7.758

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact of the General Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	2015/16 £m	2014/15 £m
Balance at 1 April	0.026	0.024
Settlement or cancellation of accrual made at the end of the preceding year	(0.026)	(0.024)
Amounts accrued at the end of the current year	0.040	0.026
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.014	0.002
Balance at 31 March	0.040	0.026

Note 7 Officers' Remuneration

The Joint Committee's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

		Salary, Fees and Allowances £	Bonuses £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
General Manager	2015/16	76,372	-	-	-	13,521	89,893
	2014/15	88,910	-	-	-	14,603	103,513
Bridge Operations Manager 1	2015/16	55,974	-	-	-	10,586	66,560
	2014/15	50,003	-	-	-	9,204	59,207
Engineering Manager ¹	2015/16	50,509	-	-	-	9,597	60,106
	2014/15	0	-	-	-	0	0
Bridge Operations Manager 2 ²	2015/16	0	-	-	-	0	0
	2014/15	51,624	-	-	-	9,550	61,174

Notes

¹ Engineering Manager in 2014/15 earned below the threshold for this note.

² Bridge Operations Manager 2 Left the post 31.8.15. Salary to that date was pro rata below the reportable level of £50,000 per annum.

Remuneration Bands (£):		Number of Employees	
From	To	2015/16	2014/15
50,000	54,999	1	2
55,000	59,999	1	-
60,000	64,999	-	-
65,000	69,999	-	-
70,000	74,999	-	-
75,000	79,999	1	-
80,000	84,999	-	-
85,000	89,999	-	1
		3	3

Note 8 Deferred Liabilities

The Joint Committee has a liability to Cornwall Council in respect of long term financing for capital expenditure, an element of which is payable within one year from the balance sheet date and which is therefore treated as a current liability. The repayment of this liability is made in the form of contributions to Cornwall Council's Minimum Revenue Provision (MRP).

	2015/16 £m	2014/15 £m
Balance at 1 April	17.839	17.778
New Advances	1.170	1.016
Repayments Due	(0.995)	(0.955)
Total	18.014	17.839
Of Which: Due within one year	(1.042)	(0.955)
Due after more than one year	(16.972)	(16.844)

TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE

CLASS 2 (CARS/LIGHT GOODS) TOLL LEVELS 1982 – PRESENT

Effective Date	Bridge		Ferry	
	Cash Toll	Concession Toll	Cash Toll	Concession Toll
1st February 1982	£0.40	£0.20	£0.40	£0.40
23rd May 1994	£1.00	£0.25	£1.00	£0.50
1st January 1997	£1.00	£0.50	£1.00	£0.50
22 March 2010	£1.50	£0.75	£1.50	£0.75

Tamar Bridge and Torpoint Ferry

STRATEGIC PLAN

2018-2022

INTRODUCTION

The Tamar Bridge and Torpoint Ferry are co-owned by Plymouth City Council and Cornwall Council.

Although the two authorities guaranteed the loans required to build the

improvements funded through tolls paid.

Oversight of the crossings is undertaken by a Board of 10 elected Authority, the “Joint Committee” – who meet quarterly to review the progress of the operation and consider annual and special reports and to set the budget for the coming year.

This document represents a development of previous Business Plans, setting out the organisation’s strategic framework and goals for the period April 2018 to March 2022. This document will be supported by an annual plan which documents detailed actions being taken to progress towards the strategic goals.

STRATEGIC FRAMEWORK

Mission

The Joint Committee's mission is to provide the travelling public with safe, reliable and efficient services across Tamar through the operation, maintenance and improvement of the Tamar Bridge and Torpoint Ferry.

Values

Respect

- ensuring an inclusive approach to balance sometimes competing needs

Excellence

- providing good service and routine reliability of service

Creativity

- identifying innovative and value for money solutions

Integrity

- the proper stewardship of public assets and funds

Openness

- engagement with communities and transparent decision making

Ownership

- taking responsibility for issues and where necessary, implementing solutions

Teamwork

- working together to deliver the service and contribute to the area's transport needs.

Measuring Success

- Achieve very high levels of service reliability and predictability.
- Ensure an injury free workplace and offer a safe and secure environment for service users.
- Maintain a sustainable and self-sufficient service.
- Maintain recognition that the organisation is a high performing organisation amongst peers and comparator organisations.
- Adopt appropriate and innovative technologies that improve customer experience and interaction, promote safety and security.
- Maintain an appropriately trained and well-motivated workforce that is capable of delivering strategic and operational goals.
- Maximise the life of the bridge and ferries through appropriate and timely maintenance.
- Show transparency in decision making and adapting governance arrangements to support that aim.
- Support the wider transportation policies of the owning Local Authorities as they affect cross-Tamar transport.

The Annual Operational Plan will support these strategic goals and a range of performance indicators are used to monitor progress and challenge management. These are published on our website and reported to Committee at quarterly meetings.

Financial Stability

The crossings maintain a reasonable reserve to reduce the risk that tolls will need to increase at short notice because of unexpected maintenance or because of unexpected trends within the wider environment.

The organisation will carefully consider funding methods for major capital projects which

operating life of existing assets. A balance will be sought between smoothing the cost of such

commitment this requires.

Tolls will only increase when the projected

operation, maintenance and improvement of the crossings are such that it is predicted to fall below prudent minimums.

A Safe, Reliable and Appropriate Service

The Joint Committee recognises the strategic importance of both crossings to the sub-region, the interaction the crossings have in the delivery of public policy and the reliance users place on the crossings to live their lives normally and fully. In planning services, programming maintenance and anticipating improvements the organisation recognises the wider impacts of restrictions on capacity. The Committee plans services with consideration to these broader contexts.

Maintaining the Assets

Maintenance programmes are designed to ensure that assets achieve the maximum achievable lifespan and continue to provide appropriate service to contemporary standards and expectations.

A conservative approach is taken towards routine maintenance, given the appreciation of the impact of any unreliability in service.

Major projects are structured in such a way that the impact on users is minimised, whilst maintaining value for money and accounting for safety considerations.

A Responsible and Accountable Organisation

The organisation recognises its public responsibilities and the fundamental way in which access to the crossings is an essential part of users' lives and the way in which organisations operate and deliver services or create wealth.

Decisions will continue to be taken in a consultative and collaborative way, involving stakeholders wherever appropriate. The organisation will continue to work in a transparent way and develop communication routes and methods so that stakeholders can identify progress and track the decision making process.

TRENDS, ASSUMPTIONS AND CHALLENGES DURING THE PERIOD OF THE PLAN

Economic, Business and Consumer Environment

- a relatively stable and benign environment is assumed;
- significant change is anticipated in the transport environment (there will be no significant change in the way in which work is undertaken will continue to develop over the period.
- national forecasts of a continuing shift towards a cashless society have been included;
- an increase in tolls will be required towards the end of the period covered by the plan;
- the way in which work is undertaken will continue to develop over the period.

Demographics

- potential housing developments in the Saltash area have been anticipated to have limited impact during the period of this plan;
- the population of users will not grow significantly annually;
- there will be increased demand for personalised or customised services;
- the age of the average user will increase.

Regulation and Values

- significant change in the general legislative environment is anticipated in the next four years;
- safety is predicted to be of increased importance, as is a respect for the environment;
- it is anticipated that there will be increased regulation of public bodies during the next few years;
- increased public demands for greater transparency from public bodies is anticipated as are more general demands for corporate responsibility;
- the organisation will undertake a review of its governance arrangements during the period of the plan.

Technology

- there will be an increased reliance on technology;
- technology will begin to impact on transport towards the end of the period, including “smart” vehicles and shared ownership whilst “driverless” technologies will continue to progress;
- alternatives to cash will continue to expand;
- social and other e-media will expand, impacting on the relationship with users;
- There will be significant change within public policy during the next four years towards tolling and no progress towards an interoperable toll service in the UK.

Risks

- there is increased uncertainty within the wider economic environment (eg higher interest rates);
- a request to increase tolls will not be approved;
- demand may exceed or fall below forecasts;
- unexpected maintenance issues with aging infrastructure;
- governance structures will not be developed to keep pace with public expectation;
- user expectations will outstrip the organisation’s capacities in terms of infrastructure and technology.

STRATEGIC GOALS

T **amar Crossings:**

Meeting Customer Expectations

Ensuring continued reliability of journeys and providing modern interfaces with our customers.

Fiscally Sustainable

Effective and appropriate deployment of capital and operating resources.

Transparent Governance and Clear Decision Making Processes

Fit for purpose governance arrangements with clear lines of responsibility and accountability that are transparent and clear to users and the general public.

A Modern, Diverse and Well Trained Workforce

Offering a range of opportunities for as wide a cross-section of the potential workforce as the service provided allows.

Quality and Standards

Improve safety, maintenance and processes and demonstrate progress

PROGRESSING OUR STRATEGIC GOALS 2018-2022

Meeting Customer Expectations

Desired Outcomes

- Predictable Journey Times
- Minimising delays
- Modern and varied communications with users and stakeholders
- Using appropriate toll technology
- Engagement with the community

Strategies to Achieve Desired Outcomes

- Proactive maintenance programmes
- Monitoring usage and predicting future demand
- Actively engaging in social media
- Maintaining expertise in tolling and engaging with developments in payment technology
- Active engagement with schools, local councils and social groups

Fiscally Sustainable

Desired Outcomes

- and capital funding requirements
- Timely and ef
- fective management, operations and maintenance activity
- Maintenance of appropriate, but not excessive

Strategies to Achieve Desired Outcomes

- Maintain and routinely update long term
- Proactive management of reserves
- Compare expenditure to benchmarks
- processes
- Maintain stable levels of TamarTag usage

Transparent Governance and Clear Decision Making Processes

Desired Outcomes

- Effective and transparent corporate oversight and challenge
- processes
- Clarity of management accountabilities
- Transparency, a broad publication policy and a consultative approach

Strategies to Achieve Desired Outcomes

- Develop and maintain a comprehensive independent publication policy
- Review current governance arrangements and corporate status

A Modern, Diverse and Well Trained Workforce

Desired Outcomes

- Employees capable of engaging positively with users and contributing to the continued development of the crossings
- A workforce that represents the demographics of the workforce in the surrounding areas
- Flexible opportunities that support long-term employment
- Investment in individuals
- Clear leadership of the workforce

Strategies to Achieve Desired Outcomes

- Routinely reviewing terms and conditions
- Maintain a corporate training programme
- Design training programmes for unique roles within the crossings
- Set challenging performance goals and manage performance against those goals
- Measure employee satisfaction and act on feedback

Quality and Standards

Desired Outcomes

- Extended life of the core assets – the bridge and ferries
- An injury free workplace
- Improved public safety
- Service levels that meet the expectations of users and the communities reliant on the crossings
- Environmental responsibility

Strategies to Achieve Desired Outcomes

- Achieving and maintaining ISO18001 and ISO14001 or equivalent standards
- Ensure relevant safety issues are including in training programmes
- Engage communities and provide feedback mechanisms



Tamar Bridge
and
Torpoint Ferry
Joint Committee

TAMAR BRIDGE AND TORPOINT FERRY
JOINT COMMITTEE

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Tamar Bridge and Torpoint Ferry Joint Committee

2019-2020 Annual Business Plan

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Message from the Chairmen

This Annual Business Plan accompanies the four-year Strategic Plan agreed by the Committee in September 2017.

The revised format of the organisation's business plans will help ensure that published plans are contemporary, whilst providing assurance that there is a consistent strategy applied towards the operation, maintenance and improvement of the two crossings.

The forthcoming financial year will be a busy one, with a ferry refit commencing in April, significant capital and maintenance projects and planned upgrades to customer facing systems.

The first revision of tolls is being sought in nine years in order to continue to support the operation, maintenance and improvement of the crossings.

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 will accompany Annual Reports published in draft form in June 2020.

Councillor John Crago

Joint Chairman

Cornwall Council

Councillor George Wheeler

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.

Progressing the Strategic Framework in 2019-2020

The Strategic Plan contained a number of goals for the four-year period 2018-2022. Those goals are recorded below with the work being undertaken in 2019-20 to progress those goals.

Specific actions to achieve the desired outcomes are provided in tables later in the document. This table will allow Members to monitor the performance of the management team during quarterly Committee meetings.

Strategic Goal: Meeting Customer Expectations

- Providing more payment options for cash and TamarTag customers
- Providing a greater range of communication routes on online
- Undertaking major projects to ensure Bridge and Ferries are maintained to appropriate standards
- Proactively communicate with customers

Strategic Goal: Fiscally Sustainable

- Gain approval for revised tolls
- Routinely report progress and update financial positions
- Improve management of toll debtors

Strategic Goal: Transparent Governance and Clear Decision Making Processes

- Publish additional information and raise awareness of public meetings
- Review Tamar Bridge Acts

-
- Propose revised Committee Terms of Reference

Strategic Goal: A Modern, Diverse and Well Trained Workforce

- Review training structures
- Act on workforce feedback
- Progress actions detailed in Gender Pay Gap Reports

Strategic Goal: Quality and Appropriate Standards

- Improve pedestrian safety
- Demonstrate our safety culture
- Provide assurance about our approach to the environment
- Maintaining appropriate regulatory standards

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Actions Plan for 2019-20

The following detailed actions will ensure that the 2018-19 goals are achieved:

Meeting Customer Expectations

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Refit Torpoint Ferry Tamar II	April/May 2019	Undertaking major projects to ensure Bridge and Ferries are maintained to appropriate standards
Commence Phase II of the Bridge Coating System Project	July 2019	Undertaking major projects to ensure Bridge and Ferries are maintained to appropriate standards
Introduce contactless payment at Bridge lanes	September 2019	Providing more payment options for cash and TamarTag customers
Provide more flexible Direct Debit scheme for TamarTag customers	August 2019	Providing more payment options for cash and TamarTag customers
Commence Bridge Kerb and waterproofing improvement project	April 2019	Undertaking major projects to ensure Bridge and Ferries are maintained to appropriate standards
Online applications and feedback forms	September 2019	Providing a greater range of communication routes on online
Implement a proactive customer engagement policy	December 2019	Proactively communicate with customers

Fiscally Sustainable

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Complete process to increase tolls	Implement July 2019	Revise tolls
Introduce delayed Phase II of new debtor systems with toll system refresh	September 2019	Improve management of toll debtors
Provide budget monitoring reports to Committee with updates to long term model	Quarterly	Routinely report progress and update financial positions

Transparent Governance and Clear Decision Making Processes

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Commence independent publication of information	From April 2019 - to follow new website's publication	Publish additional information and raise awareness of public meetings
Modernise Code of Conduct and Standards policies	End of 2019	Review codes and regulations related standards
Review Tamar Bridge Acts and present options to Members	September 2019	Positive, efficient and timely decision making processes
Propose revisions to Committee's Terms of Reference	February 2020	Effective and transparent corporate oversight and challenge

A Modern, Diverse and Well Trained Workforce

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Introduction of Corporate Training Plan		Review training structures
Act on feedback from employee survey		Demonstrate value of workforce feedback
Review job design when vacancies occur to encourage more flexible working and part-time opportunities	Ongoing	Complete the actions detailed in Gender Pay Gap Reports
Review Employee Terms and Conditions		Complete the actions detailed in Gender Pay Gap Reports

Quality and Appropriate Standards

ACTION	Timeframe	RELATIONSHIP TO PROGRESSING STRATEGIC GOALS
Upgrade traffic control systems at Torpoint and Devonport		Improve pedestrian safety
Review parapet design and consider capital project		Improve pedestrian safety
Certification of Occupational Health and Safety		Demonstrate our safety culture

Management to ISO 45001 Standard		
Certification of Environmental Management System to ISO14001 Standard		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 2019-2020 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)	11,007,000
Toll Revenue (Ferry)	1,428,000
Tag Related Fees	467,000
Income from Agency Charges	357,000
Rents & Miscellaneous Income	102,000
Grant Income	41,000
Investment Income and Interest	10,000

TOTAL FORECAST REVENUE	13,412,000
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Forecast Expenditure

Bridge Operations & Maintenance	4,070,000
Ferry Operations & Maintenance	5,995,000
Learning Centre	58,000
Corporate Expenses	486,000
Interest Payments (cost of capital funding)	1,731,000
Repayment of Capital (Revenue Provision)	1,450,000

TOTAL FORECAST EXPENDITURE	13,790,000
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Forecast Deficit for Year

378,000

Reserves

The forecast deficit will mean that the reserve maintained as contingency will reduce from a forecast £2,920,00 at 31 March 2019 to a forecast £2,629,000 at the end of March 2020.

Capital Works

The borrowing required to fund capital works during the year is anticipated to be £7,122,000.

Performance Targets

Joint Committee members and managers updated performance and monitoring targets during 2017 and those revised measures have been carried through into this plan.

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 a fundamental of operation
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.	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.	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 through the tidal flow system.	1 minute 24 seconds	Measures success of traffic management and reliability of infrastructure. Predictable journey times are essential for customers to plan the best mode of transport.
	Peak traffic journey times through the tidal flow system	1 minute 25 seconds	

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	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	

Monitoring Indicators

In addition to the key indicators that measure the organisation's own performance, other indicators can provide information on aspects of service delivery which can by varying degrees be outside the control of the organisation.

The organisation also reports and monitors measurements widely used in the public sector and which are appropriate to report for reasons of transparency. The indicators shown in the table below will be monitored.

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	Monitor Indicators	Why this is important to service users	Why a target is not appropriate or measure is partly or wholly outside our control
Accidents involving members of the public	Number	Safety is paramount	Accident levels have reduced to very low levels.
Complaints – Number received	Number	As an indicator of customer satisfaction	We wish to expand the ways in which users can communicate issues and encourage feedback. Any target works against this aim
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 access to or from vessels and roadways.	Many RTCs are due largely to driver error.

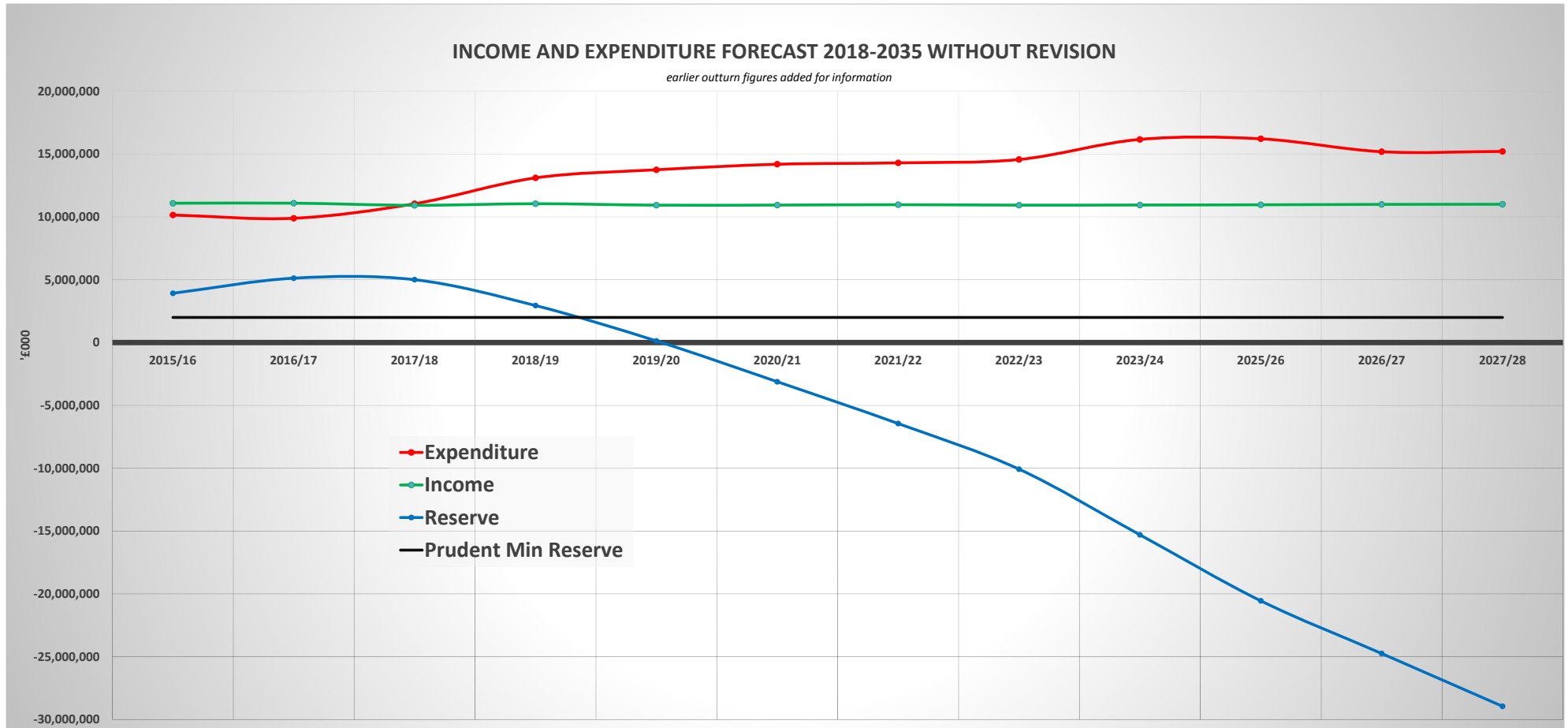
Incidents of recorded anti- social behaviour on Joint Committee property.	Reported incidents at each crossing	Users expect a safe and secure environment	Threatening, anti-social or illegal behaviour is the responsibility of the those performing the act(s).
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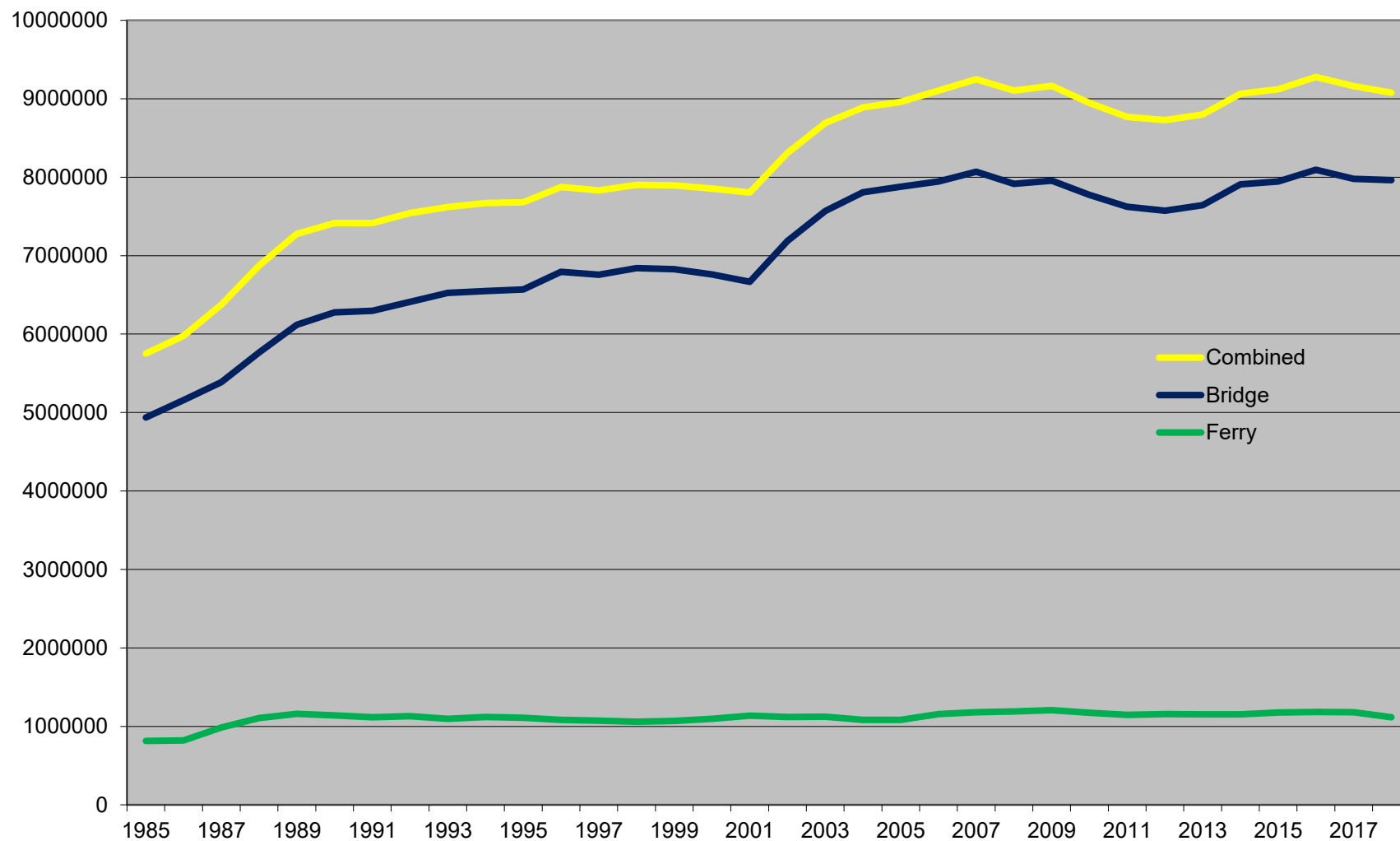
Tamar Bridge and Torpoint Ferry
Approved Estimates from 2018/19 (REVISED) - 2022/23 and Planing estimates to 2026/37 [without TRO]

	ACTUAL 2015/16 £	ACTUAL 2016/17 £	ACTUAL 2017/18 £	REVISED ESTIMATE 2018/19 £	ESTIMATE 2019/20 £	FORWARD ESTIMATE 2020/21 £	FORWARD ESTIMATE 2021/22 £	FORWARD ESTIMATE 2022/23 £	PLANNING ESTIMATE 2023/24 £	PLANNING ESTIMATE 2025/26 £	PLANNING ESTIMATE 2026/27 £	PLANNING ESTIMATE 2027/28 £	PLANNING ESTIMATE 2028/29 £	PLANNING ESTIMATE 2029/30 £	PLANNING ESTIMATE 2030/31 £	PLANNING ESTIMATE 2032/33 £	PLANNING ESTIMATE 2033/34 £	PLANNING ESTIMATE 2034/35 £
Operational																		
Income	(11,087,042)	(11,091,000)	(10,924,000)	(11,048,343)	(10,935,036)	(10,940,918)	(10,971,193)	(10,935,439)	(10,944,877)	(10,963,076)	(10,995,957)	(11,005,518)	(11,015,271)	(11,025,218)	(11,035,364)	(11,056,270)	(11,067,038)	(11,078,021)
Expenditure																		
Corporate	421,261	424,000	458,000	504,090	485,952	434,634	417,827	426,183	365,973	380,758	388,374	396,142	404,066	412,147	420,390	437,371	446,118	455,042
Bridge	2,941,878	3,340,000	4,009,000	3,847,413	4,070,268	4,063,627	4,150,284	4,236,854	4,241,439	4,320,661	4,360,866	4,401,475	4,442,494	4,483,923	4,525,760	4,610,650	4,653,755	4,697,296
Ferry	5,011,035	4,297,000	4,671,000	5,943,080	5,994,766	6,068,455	5,155,886	5,220,050	6,247,249	6,435,786	5,485,654	5,595,236	6,701,189	6,768,200	6,835,880	5,997,390	7,227,197	7,371,598
Learnng Centre				194,909	57,810	48,445	61,163	51,606	51,620	53,178	53,710	54,785	55,332	55,887	56,447	58,729	58,729	58,729
	8,374,174	8,061,000	9,138,000	10,489,492	10,608,796	10,615,161	9,785,160	9,934,693	10,906,281	11,190,383	10,288,604	10,447,638	11,603,081	11,720,157	11,838,477	11,104,140	12,385,799	12,582,665
Operational (Surplus)/Deficit	(2,712,868)	(3,030,000)	(1,786,000)	(558,851)	(326,240)	(325,757)	(1,186,033)	(1,000,746)	(38,596)	227,307	(707,353)	(557,880)	587,810	694,939	803,113	47,870	1,318,761	1,504,644
Capital Expenditure financed from Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MRP (415021.99010)	995,434	1,042,241	1,109,000	1,444,715	1,717,155	1,996,955	2,556,955	2,679,755	3,091,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	2,624,168
Interest on Loan (415021.98141)	790,478	797,000	801,000	1,179,568	1,434,141	1,586,282	1,967,626	1,962,173	2,190,431	1,937,388	1,810,740	1,672,973	1,547,444	1,421,915	1,296,386	1,045,328	919,799	799,739
Capital Funding	1,785,912	1,839,241	1,910,000	2,624,283	3,151,296	3,583,237	4,524,581	4,641,928	5,282,007	5,038,964	4,912,316	4,774,549	4,649,020	4,523,491	4,397,962	4,146,904	4,021,375	3,423,907
Interest on JC Balances (415021.98219)	(9,545)	(9,000)	(2,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(20,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
(Surplus)/Deficit on Undertaking before Reserve movements	(936,501)	(1,199,759)	122,000	2,055,432	2,815,056	3,247,481	3,328,548	3,631,183	5,223,410	5,253,270	4,191,962	4,203,669	5,223,830	5,205,430	5,188,075	4,181,774	5,327,136	4,915,550
Reserve Movements																		
Balance B/Fwd	(2,987,000)	(3,923,501)	(5,123,260)	(5,001,260)	(2,945,828)	(130,772)	3,116,709	6,445,257	10,076,440	15,299,850	20,553,120	24,745,082	28,948,751	34,172,581	39,378,011	44,566,086	48,747,860	54,074,995
Net movement for year	(936,501)	(1,199,759)	122,000	2,055,432	2,815,056	3,247,481	3,328,548	3,631,183	5,223,410	5,253,270	4,191,962	4,203,669	5,223,830	5,205,430	5,188,075	4,181,774	5,327,136	4,915,550
	(3,923,501)	(5,123,260)	(5,001,260)	(2,945,828)	(130,772)	3,116,709	6,445,257	10,076,440	15,299,850	20,553,120	24,745,082	28,948,751	34,172,581	39,378,011	44,566,086	48,747,860	54,074,995	58,990,546
Net Balance	(3,923,501)	(5,123,260)	(5,001,260)	(2,945,828)	(130,772)	3,116,709	6,445,257	10,076,440	15,299,850	20,553,120	24,745,082	28,948,751	34,172,581	39,378,011	44,566,086	48,747,860	54,074,995	58,990,546

APPENDIX 8



**TAMAR BRIDGE AND TORPOINT FERRY
ANNUAL TRAFFIC 1985-2018**

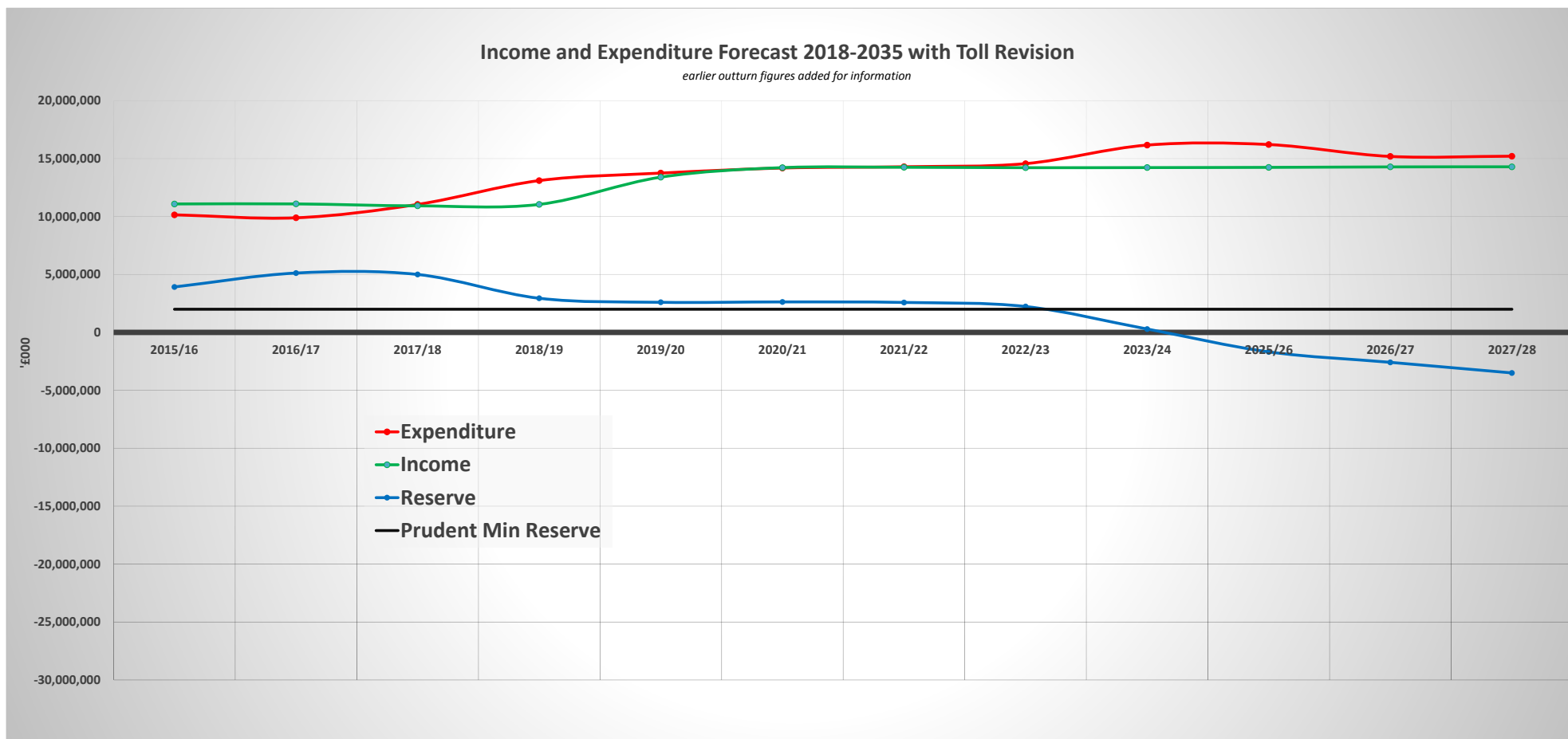


APPENDIX 10

Tamar Bridge and Torpoint Ferry
Income and Expenditure Forecast 2018-2035 With Toll Revision

	OUTTURN 2015/16 £	OUTTURN 2016/17 £	OUTTURN 2017/18 £	REVISED ESTIMATE 2018/19 £	ESTIMATE 2019/20 £	FORWARD ESTIMATE 2020/21 £	FORWARD ESTIMATE 2021/22 £	FORWARD ESTIMATE 2022/23 £	ESTIMATE 2023/24 £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE 2027/28 £	ESTIMATE 2028/29 £	ESTIMATE 2029/30 £	ESTIMATE 2030/31 £	ESTIMATE 2032/33 £	ESTIMATE 2033/34 £	ESTIMATE 2034/35 £
Operational																		
Income	(11,087,042)	(11,091,000)	(10,924,000)	(11,048,343)	(13,402,090)	(14,222,099)	(14,252,374)	(14,216,620)	(14,226,058)	(14,244,257)	(14,284,672)	(14,294,233)	(14,303,986)	(14,313,933)	(14,324,079)	(14,344,985)	(14,355,753)	(14,366,736)
Expenditure																		
Corporate	421,261	424,000	458,000	504,090	485,952	434,634	417,827	426,183	365,973	380,758	388,374	396,142	404,066	412,147	420,390	437,371	446,118	455,042
Bridge	2,941,878	3,340,000	4,009,000	3,847,413	4,070,268	4,063,627	4,150,284	4,236,854	4,241,439	4,320,661	4,360,866	4,401,475	4,442,494	4,483,923	4,525,760	4,610,650	4,653,755	4,697,296
Ferry	5,011,035	4,297,000	4,671,000	5,943,080	5,994,766	6,068,455	5,155,886	5,220,050	6,247,249	6,435,786	5,485,654	5,595,236	6,701,189	6,768,200	6,835,880	5,997,390	7,227,197	7,371,598
Learnng Centre				194,909	57,810	48,445	61,163	51,606	51,620	53,178	53,710	54,785	55,332	55,887	56,447	58,729	58,729	58,729
	8,374,174	8,061,000	9,138,000	10,489,492	10,608,796	10,615,161	9,785,160	9,934,693	10,906,281	11,190,383	10,288,604	10,447,638	11,603,081	11,720,157	11,838,477	11,104,140	12,385,799	12,582,665
Operational (Surplus)/Deficit	(2,712,868)	(3,030,000)	(1,786,000)	(558,851)	(2,793,294)	(3,606,938)	(4,467,214)	(4,281,927)	(3,319,778)	(3,053,875)	(3,996,069)	(3,846,596)	(2,700,906)	(2,593,777)	(2,485,603)	(3,240,846)	(1,969,955)	(1,784,072)
Capital Expenditure financed from Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MRP (415021.99010)	995,434	1,042,241	1,109,000	1,444,715	1,717,155	1,996,955	2,556,955	2,679,755	3,091,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	3,101,576	2,624,168
Interest on Loan (415021.98141)	790,478	797,000	801,000	1,179,568	1,434,141	1,586,282	1,967,626	1,962,173	2,190,431	1,937,388	1,810,740	1,672,973	1,547,444	1,421,915	1,296,386	1,045,328	919,799	799,739
Capital Funding	1,785,912	1,839,241	1,910,000	2,624,283	3,151,296	3,583,237	4,524,581	4,641,928	5,282,007	5,038,964	4,912,316	4,774,549	4,649,020	4,523,491	4,397,962	4,146,904	4,021,375	3,423,907
Interest on JC Balances (415021.98219)	(9,545)	(9,000)	(2,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(20,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
(Surplus)/Deficit on Undertaking before Reserve movements	(936,501)	(1,199,759)	122,000	2,055,432	348,002	(33,700)	47,367	350,001	1,942,229	1,972,089	903,247	914,954	1,935,115	1,916,715	1,899,360	893,059	2,038,421	1,626,835
Reserve Movements																		
Balance B/Fwd	(2,987,000)	(3,923,501)	(5,123,260)	(5,001,260)	(2,945,828)	(2,597,826)	(2,631,526)	(2,584,159)	(2,234,157)	(291,928)	1,680,161	2,583,408	3,498,361	5,433,476	7,350,191	9,249,551	10,142,609	12,181,030
Net movement for year	(936,501)	(1,199,759)	122,000	2,055,432	348,002	(33,700)	47,367	350,001	1,942,229	1,972,089	903,247	914,954	1,935,115	1,916,715	1,899,360	893,059	2,038,421	1,626,835
	(3,923,501)	(5,123,260)	(5,001,260)	(2,945,828)	(2,597,826)	(2,631,526)	(2,584,159)	(2,234,157)	(291,928)	1,680,161	2,583,408	3,498,361	5,433,476	7,350,191	9,249,551	10,142,609	12,181,030	13,807,865
Net Balance	(3,923,501)	(5,123,260)	(5,001,260)	(2,945,828)	(2,597,826)	(2,631,526)	(2,584,159)	(2,234,157)	(291,928)	1,680,161	2,583,408	3,498,361	5,433,476	7,350,191	9,249,551	10,142,609	12,181,030	13,807,865

APPENDIX 11



Over the next few years routine operation and maintenance will continue along with further Bridge carriageway resurfacing, painting and deck waterproofing. At the Torpoint Ferry, major refits are scheduled and improvements will be made to shoreside pedestrian access and traffic management.

Our costs are increasing much faster than our income as there has been very low traffic growth on the crossings. The cost of delivering a safe and reliable service and improvement projects has already resulted in expenditure exceeding income and this is not sustainable as shown in the graph overleaf.

What action will be taken to meet the shortfall?

We will continue to look for savings and operational efficiencies but we will still need to increase income next year by around 33%. The simplest way to achieve this is to increase all of our charges by 33% - for example the cash price for a car would rise from £1.50 to £2.00. Such a rise would be more or less in line with inflation since the last toll increase in 2010.

How you can help the decision making process

We know what our expenditure will be over the next few years and that charges will need to be increased. However, we want to ensure that the views of customers and other stakeholders are taken into account when decisions are made about how we might change the pricing structure.

Please complete the questionnaire and return it to us by 8 August 2018.

For more information or to download an electronic version of the questionnaire, visit our website at www.tamarcrossings.org.uk. Additional information can be obtained by emailing us at consultation@tamarcrossings.org.uk or calling us on 01752 361577.

This document is available in other languages and accessible formats.

Please call or email using the contacts above.

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This leaflet explains how the operation, maintenance and improvement of the Tamar Bridge and Torpoint Ferry are funded and why more income is required from 2019. Please read this leaflet before completing the enclosed questionnaire as your views are needed to help us plan for the future.



Why is there a charge to use the Tamar Bridge and Torpoint Ferry?

The Tamar Bridge and Torpoint Ferry are jointly owned and operated by Cornwall Council and Plymouth City Council on a 'user pays' principle. The money needed to operate, maintain and improve them comes from toll charges - no funding is received from central government or from the two owning councils. Tolls have paid for:

- the construction and widening of the Bridge
- purchase of Ferries
- operation and maintenance of both crossings
- improvements such as the electronic toll system and new control room

Over 100 staff are employed to deliver the service 24 hours a day at the two crossings. The pie charts on the right reflect our sources

of income and how it is spent. The finances of the crossings are 'ring-fenced' - any surplus is retained in reserves and any deficit depletes those reserves.

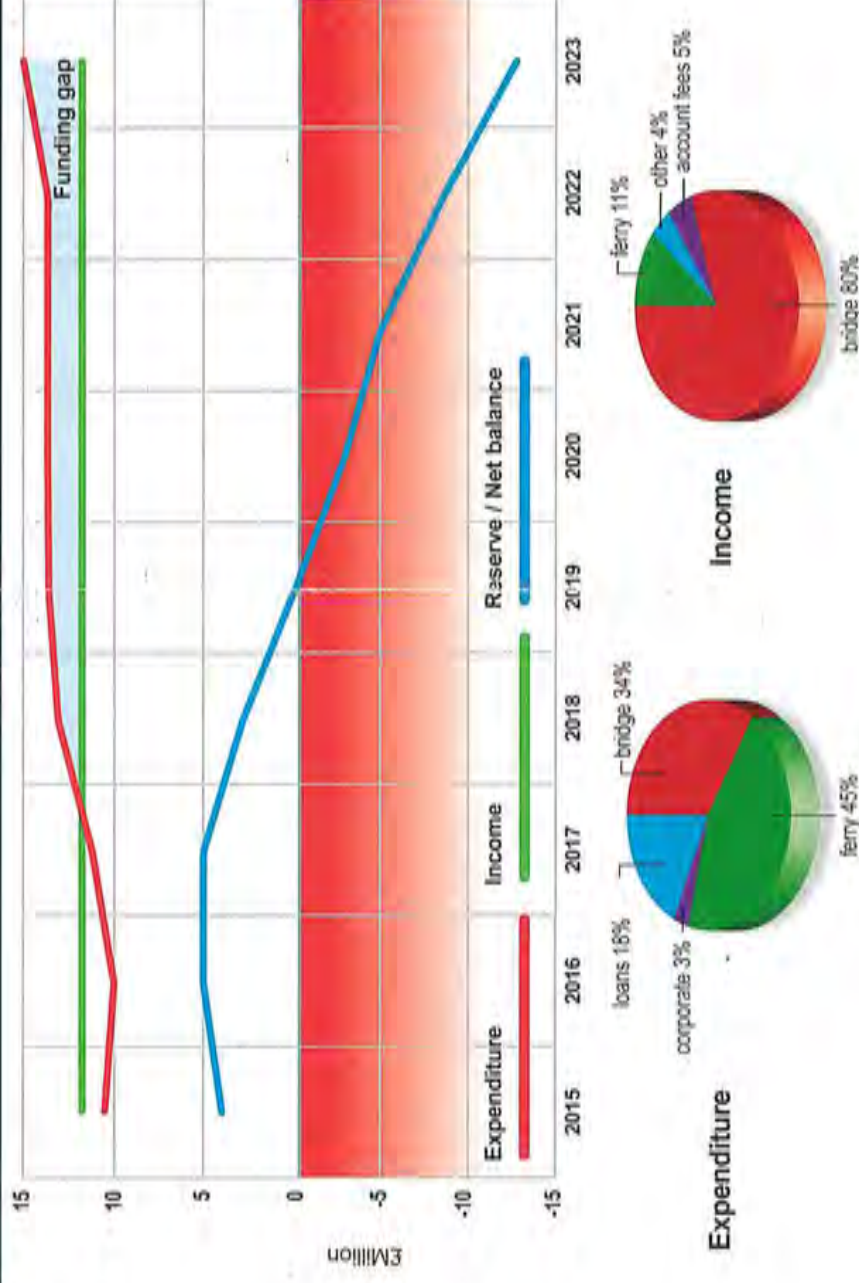
The maximum toll that we can charge for each class of vehicle is authorised by central government, based on a business case justifying our requirements. We are allowed to discount toll charges for example for the pre-paid TamarTag electronic payment system. Our income is a product of the toll charges and the traffic volume but although 60% of crossings are paid for by the TamarTag, the majority of our income still comes from cash payments.

Why is more money needed to run the crossings?

We have not increased toll charges since March 2010 despite the fact that most of our routine running costs have increased significantly through inflation.

Since 2010 we have undertaken significant works to maintain the bridge including carriageway resurfacing and replacing expansion joints, whilst major repainting work and refurbishment of the suspension system is ongoing. We have also undertaken a range of improvement works including upgrading ferry sewage plants and building a new bridge control centre to house more resilient bridge and tunnel control systems.

Financial Forecast



Tamar Bridge and Torpoint Ferry

Financing the Crossings

Consultation, July 2018

W

collect and spend our income and why we need to increase income in the near future.

Your responses will help to shape our service delivery and decide how we structure charges for using the bridge and ferry crossings in the future. We would be grateful for a few minutes of your time to give us your views.

Section 1 Your use of the Tamar Bridge and Torpoint Ferry

Please provide an answer for both bridge and ferry

TAMAR BRIDGE Please tick one box only

TORPOINT FERRY Please tick one box only

1a How often do you use the bridge and/or ferry?

- 1 ☐ More than 5 times a week
- 2 ☐ 5 times a week
- 3 ☐ 1 – 4 times a week
- 4 ☐ Less than once a week
- 5 ☐ Less than once a month
- 6 ☐ Never

- 1 ☐ More than 5 times a week
- 2 ☐ 5 times a week
- 3 ☐ 1 – 4 times a week
- 4 ☐ Less than once a week
- 5 ☐ Less than once a month
- 6 ☐ Never

1b How do you usually travel across the bridge and ferry?

- 1 ☐ Private car/van
- 2 ☐ Light goods vehicle (eg Transit van)
- 3 ☐ Medium goods vehicle (ie 2-axle lorry)
- 4 ☐ HGV (ie lorry with more than 2 axles)
- 5 ☐ Motorcycle/scooter
- 6 ☐ Bicycle
- 7 ☐ Local bus
- 8 ☐ Walk
- 9 ☐ Do not use the bridge
- 10 ☐ Other _____

- 1 ☐ Private car/van
- 2 ☐ Light goods vehicle (eg Transit van)
- 3 ☐ Medium goods vehicle (ie 2-axle lorry)
- 4 ☐ Motorcycle/scooter
- 5 ☐ Bicycle
- 6 ☐ Local bus
- 7 ☐ Walk
- 8 ☐ Do not use the ferry
- 9 ☐ Other _____

1c How do you currently pay to use the bridge and ferry?

- 1 ☐ TamarTag
- 2 ☐ Cash
- 3 ☐ Sometimes cash, sometimes TamarTag
- 4 ☐ Exempt/free
- 5 ☐ Do not use the bridge

- 1 ☐ TamarTag
- 2 ☐ Cash
- 3 ☐ Sometimes cash, sometimes TamarTag
- 4 ☐ Exempt/free
- 5 ☐ Do not use the ferry

1d Thinking about your most frequent journey using the bridge and ferry, what is the main reason for the crossing?

- 1 ☐ Commuting journeys (to and from work)
- 2 ☐ Business
- 3 ☐ Education
- 4 ☐ Healthcare
- 5 ☐ Recreation/leisure
- 6 ☐ Shopping
- 7 ☐ Do not use the bridge
- 8 ☐ Other _____

- 1 ☐ Commuting journeys (to and from work)
- 2 ☐ Business
- 3 ☐ Education
- 4 ☐ Healthcare
- 5 ☐ Recreation/leisure
- 6 ☐ Shopping
- 7 ☐ Do not use the ferry
- 8 ☐ Other _____

Section 2 Your views on the Bridge and Ferry Price Structure

From 2019 we need to increase income to continue to operate safely, maintain the crossings and improve the whether or not they pre-pay using a TamarTag account. W which charges can be varied to this need – the following questions seek your views.

1 We could c tly by the time of day or the day of the week. Should we:

Please tick one box

- 1 ☐ charge more for travelling during peak times
- 2 ☐
- 3 ☐ increase charges uniformly.

Variable priced tolling could be used to manage traffic flows.

2 We could h rry. Should we:

Please tick one box

- 1 ☐ charge more for using the Torpoint Ferry
- 2 ☐ keep the charges the same for both crossings

Per user the Torpoint Ferry costs much more to run than the Bridge.

3 We could change the pricing ratio between bigger vehicles and cars. Should we:

Please tick one box

- 1 ☐ i
- 2 ☐ reduce the number of vehicle categories.
- 3 ☐ keep the current pricing ratios.

Bigger vehicles are charged more because they do much more damage to the bridge and take more room onboard the ferry.

4 We could change the discount we give for pre-payment using a TamarTag. Should we:

Please tick one box

- 1 ☐ reduce the percentage discount for TamarTag account holders.
- 2 ☐ keep the existing 50% percentage discount.

Tag account customers receive a 50% discount on all crossings and for all vehicle types.

5 We could reduce our impact on the environment if we encourage low emission vehicles. Should we:

Please tick one box

- 1 ☐ charge more for vehicles with higher emissions.
- 2 ☐ keep charges independent of vehicle emissions

Vehicle emissions affect the environment. Current charging does not take account of this.

6 In order to help us analyse the responses, please provide your postcode.

7 Have you got any other concerns or suggestions on the charging structure or the service in general? Please add any other comments below.

For further information please visit our website at www.tamarcrossings.org.uk

Thank you for taking the time to complete this questionnaire.

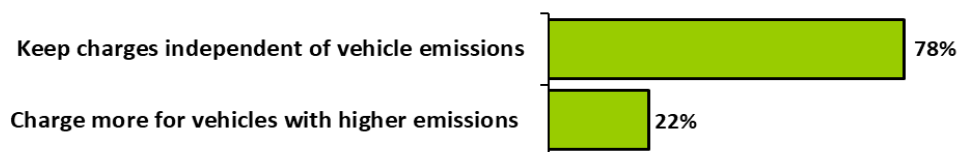
Please return using the pre-paid envelope provided by 8 August 2018

By submitting this form you agree that we will process your data in line with our privacy policy, which is available within the consultation pages on our website www.tamarcrossings.org.uk

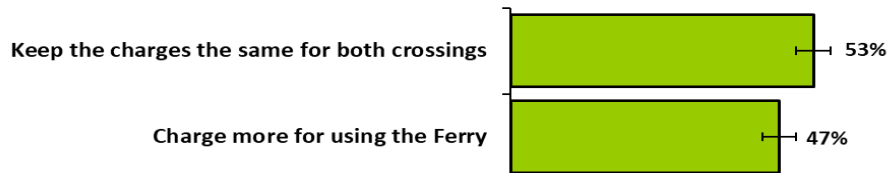
Public consultation responses to payment structure questions

Each question was accompanied by a short statement explaining why each question was being asked. For example, charging varying tolls through the day may help to reduce congestion.

Question 1: Should we charge differently by the time of day or day of the week?



Question 2: Should we have different prices at the Bridge and Ferry?



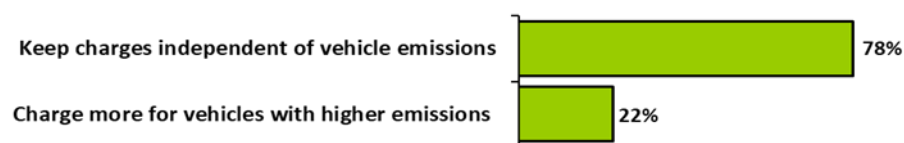
Question 3: Should we change the pricing ratio between bigger vehicles and cars?



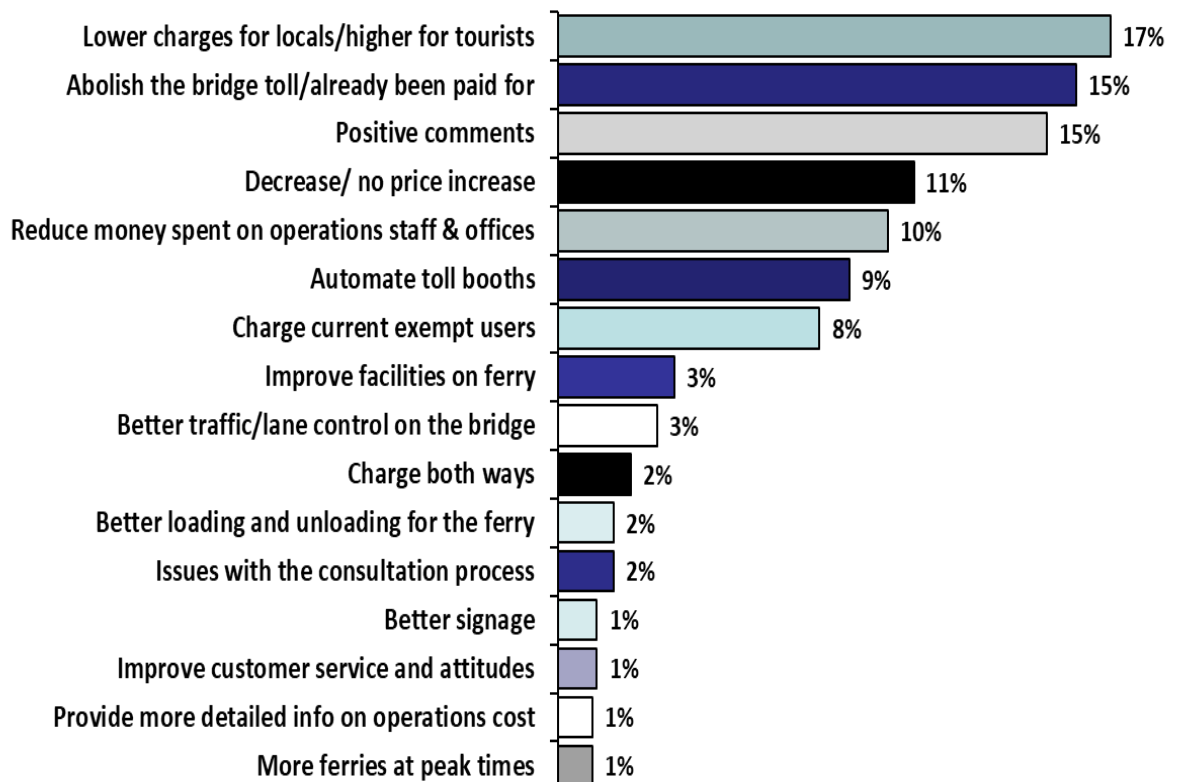
Question 4: Should we change the discount we give for pre-payment using a Tamar Tag?



Question 5: Should we help reduce our impact on the environment by encouraging low emission vehicles?



Verbatim Responses made in comments section grouped by themes.



STATUTORY INSTRUMENTS

2019 No.**HIGHWAYS ENGLAND****The Tamar Bridge and Torpoint Ferry (Revision of Tolls and Traffic Classification) Order 2010**

Made	00	XXX	2019
Coming into force	00	XXX	2019

The Secretary of State for Transport, in exercise of the powers conferred by section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954(a) and now vested in him (b), hereby makes the following Order:

1. This Order may be cited as the Tamar Bridge and Torpoint Ferry (Revision of Tolls and Traffic Classification) Order 2019 and shall come into force on [date tbc]

2. The tolls which the Authorities may demand and take for the use of the bridge and the ferry are hereby revised so that those tolls shall not exceed the sums set out in the Schedule to this Order.

3. In this Order:

“abnormal loads” means loads exceeding 2.9 metres in overall width or exceeding 44 tonnes in gross weight;

“the Authorities”, “the bridge” and “the ferry” have the meaning given to those expressions in section 2 of the Tamar Bridge Act 1998(c);

“motorcycles” and “motor cars” have the same meaning given to those expressions in section 185(1) of the Road Traffic Act 1988; and

“vehicles”, “maximum gross weight” and “trailer” have the meaning given to those expressions in regulation 3(2) of the Road Vehicles (Construction and Use) Regulations 1986 (d).

4. The Tamar Bridge and Torpoint Ferry (Revision of Tolls and Traffic Classification) Order 2010 (e) is hereby revoked.

Signed by authority
of the Secretary of State
[Date tbc]

[Name tbc]
A Senior Civil Servant in the Department for
Transport

- (a) 1954 c.64
 (c) 1998 c. ?
 (e) S.I. 1994/1060

- (b) S.I. 1970/1681, 1971/571 and 1981/238
 (d) S.I. 1986/1078
 (f) S.I. 2010/XX [DOT]

SCHEDULE TAMAR BRIDGE

Tamar Bridge - Classification of Vehicles

Toll

1	Pedal cycles or motorised invalid carriages	No charge
2	Motorcycles	No charge
3	Motor cars and vehicles not covered by other classes	£2.00
4	2 axle vehicles having a maximum gross weight exceeding 3.5 tonnes	£4.90
5	3 axle vehicles	£8.00
6	Vehicles with 4 or more axles	£11.00

Tolls are payable when travelling eastbound only (Saltash (Cornwall) to Plymouth (Devon))
 Trailers attract a toll matching that of the vehicle towing the trailer.

Tamar Bridge – Abnormal Loads

(a) Exclusive use of one lane	£50
(b) Exclusive use of two lanes	£100
(c) Exclusive use of more than two lanes	£150

Abnormal load tolls are payable in both directions
 Tolls charged are currently outside the scope of VAT.

TORPOINT FERRY

Torpoint Ferry - Classification of Vehicles

Toll

1	Pedal cycles or motorised invalid carriages	No charge
2	Motorcycles	£0.40
3	Motor cars and vehicles not covered by other classes	£2.00
4	2 axle vehicles having a maximum gross weight exceeding 3.5 tonnes	£4.90
5	3 axle vehicles	£8.00
6	Vehicles with 4 or more axles	£11.00

Tolls for classes 3,4, 5 and 6 are payable when travelling eastbound only Torpoint (Cornwall) to Plymouth (Devon).

Tolls for class 2 vehicles are payable when travelling westbound only from Plymouth Devon to Torpoint (Cornwall)

Trailers attract a toll matching that of the vehicle towing the trailer.

Torpoint Ferry – Abnormal Loads

	Toll
Exclusive Use of the Ferry	£50 per crossing
Use of multiple ferry lanes which are partly or wholly occupied.	£10 per lane

Abnormal load tolls are payable in both directions.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, made in consequence of an application by the Tamar Bridge and Torpoint Ferry Joint Committee, revises the maximum tolls that may be charged for the use of the Tamar Bridge and Torpoint Ferry.

On both the Tamar Bridge and the Torpoint Ferry, trailers will continue to attract a toll matching that of the vehicle towing the trailer.

Maximum charges for abnormal loads using the Tamar Bridge will remain unchanged. .

Tolls for the exclusive use of the Torpoint Ferry and for use of additional ferry lanes will remain unchanged.

Comparison of Tolls at Tamar Bridge with other Fixed Crossings

	charging ONE direction only		charging BOTH directions – “return” toll cost calculated						
Tamar Class & Description	Current Tamar Charge	Proposed Tamar Charge	Mersey Tunnel	Mersey Gateway	Dartford	M6 Toll ⁴	Humber	Tyne Tunnels	Clifton
Class I (Motorcycles)	£0.00	£0.00	£0.00	£0.00	£0.00	£4.00-£6.00	£0.00	£0.00	£2.00
Class II (private passenger vehicles)	£1.50	£2.00	£3.60	£4.00 ¹	£5.00 ²	£8.20-£12.80	£3.00	£3.40	£2.00
Class III (vehicles above 3.5T with two axles)	£3.70	£4.90	£7.20	£6.00 ¹	£6.00 ³	£17.20-£22.60	£8.00	£3.40/£6.80 ⁵	£2.00 ⁶
Class IV (vehicles above 3.5T with three axles)	£6.00	£8.00	£10.80	£16.00 ¹	£12.00	£17.20-£22.60	£24.00	£6.80	N/A
Class V (vehicles above 3.5T with more than 3 axles)	£8.25	£11.00	£14.40	£16.00 ¹	£12.00	£17.20-£22.60	£24.00	£6.80	N/A

NOTES

1. Unregistered vehicle (discounts apply for pre-registration)
2. Excludes commercial vehicles
3. Two axle commercial vehicles BELOW 3.5T also included
4. Charges varied over weekends and at night where lower charges apply.
5. Higher charge applies for vehicles above 3m high
6. 4 ton gross weight limit
7. All tolls include VAT where levied at 20% rate.

Comparison of Tolls at Torpoint Ferry with other Ferry Crossings

	charging ONE direction only		charging BOTH directions: return fare shown ¹					
Torpoint Class & Description	Current Torpoint Charge	Proposed Torpoint Charge	King Harry Ferry	Higher Dart Ferry	Lower Dart Ferry	Bournemouth Swanage Ferry	Windermere Ferry	Cowes Ferry
Class I (Motorcycles)	£0.30	£0.40	£3.00	£1.40²	£6.00	£2.00	£3.20	£3.40
Class II (private passenger vehicles)	£1.50	£2.00	£8.00	£13.40	£12.00 (Commercial £12.00- £20.00)	£9.00	£8.80³	£5.20 (£6.60 large vans)
Class III (vehicles above 3.5T with two axles)	£3.70	£4.90	£15.00	£13.40	£20.00	£18.00	£15.60 (£32.60 coaches + 16 seats)	£18.00
Class IV (vehicles above 3.5T with three axles)	£6.00	£8.00	Not carried	Not carried	Not carried	Not carried	Not carried	Not carried
Class V (vehicles above 3.5T with more than 3 axles)	£8.25	£11.00	Not carried	Not carried	Not carried	Not carried	Not carried	Not carried

NOTES

1. Cheapest cash return fare without pre-registration shown
2. Rider pays at foot passenger rate
3. Only up to 1.5 tonnes.

NOTICE OF APPLICATION TO REVISE TOLLS ON TAMAR BRIDGE AND TORPOINT FERRY

Notice is hereby given that the Tamar Bridge and Torpoint Ferry Joint Committee has applied to the Secretary of State for Transport for an Order under Section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954 to revise tolls on the Tamar Bridge and Torpoint Ferry.

The general effect of the application is to increase all tolls by 33.3%, rounding down to the nearest 10p where applicable. It is proposed to retain the current 50% discount for pre-paid crossings using the TamarTag scheme but this concession will not form part of the formal Toll Order.

A comparison of current and proposed cash tolls is shown below:

Tamar Bridge Toll Classification

Classification		Current Toll	Proposed Toll
1	Solo motorcycles	No charge	No charge
2	Motor cars and vehicles not covered by other classes	£1.50	£2.00
3	2 axle vehicles having a maximum gross vehicle weight exceeding 3.5 tonnes	£3.70	£4.90
4	3 axle vehicles	£6.00	£8.00
5	Vehicles with 4 or more axles	£8.20	£11.00

Torpoint Ferry Toll Classification

Classification		Current Toll	Proposed Toll
1	Solo motorcycles	£0.30	£0.40
2	Motor cars and vehicles not covered by other classes	£1.50	£2.00
3	2 axle vehicles having a maximum gross vehicle weight exceeding 3.5 tonnes	£3.70	£4.90
4	3 axle vehicles (not currently carried)	£6.00	£8.00
5	Vehicles with 4 or more axles (not currently carried)	£8.20	£11.00

NOTES:

It is proposed that vehicle definitions remain unchanged with tolls continuing to be charged in one direction only. Trailers will continue to attract a toll matching that of the vehicle towing the trailer. No changes are proposed in charges for abnormal loads and special crossings. Tolls charged are currently outside the scope of VAT.

A copy of the application can be inspected at the Tamar Bridge Office or the Torpoint Ferry Office during normal working hours, and it can also be accessed on the Joint Committee's website at www.tamarcrossings.org.uk.

Within a period of forty-two days of the date of this notice, any person having a substantial interest may object to this application by giving notice to the Minister for Transport at National Transport Casework Team Newcastle, Tyneside House, Skinnerburn Road, Newcastle Business Park, Newcastle Upon Tyne, NE4 7AR, or by email to nationalcasework@dft.gov.uk stating the grounds for objection, and copying that objection to the Tamar Bridge and Torpoint Ferry Joint Committee at Torpoint Ferry Office, 2 Ferry Street, Torpoint, Cornwall PL11 2AX or by email to tollrevision@tamarcrossings.org.uk.

David List
General Manager
Tamar Bridge and Torpoint Ferry Joint Committee
17 April 2019