

1st February 2011

Dear Councillor,

At your Budget meeting this Thursday you will be considering a possible increase in Tunnel tolls. You are being recommended to increase the cash tolls for cars from £1.40 to £1.50, with equivalent increases for the other 3 classes. (You are also being recommended to increase the Tag tolls, though it is not clear what the figure is.) This message is to update some of the points we made when we contacted members prior to last year's meeting. If you have any questions, then please let me know

Yours sincerely,

Dave Loudon
Chairman
Mersey Tunnels Users Association

1. As you know at all other tolled crossings in the UK, except for the Severn Crossing, any toll increase has to be justified. The Mersey Tunnel Act 2004 (which amended the County of Merseyside Act 1980) removed this requirement. Under the amended section 91 there is an automatic annual revision using the RPI. Section 92 (C) Subpara 2 requires that when the authority annually considers the tolls it should have "*regard to such matters of an economic or social nature within the county of Merseyside as the Authority considers to be relevant*" and if "*it is necessary or appropriate*" then it must exercise the power in subpara (1). Section 92 (C) Subpara 1 gives the Authority power to remove or reduce tolls. It seems to be clear that subpara 1 is not dependent upon subpara 2, and that the authority may reduce or remove any tolls for any reason at any time.
2. When we contacted members a year ago we referred to the Runcorn toll bridges Inquiry where Halton Council had pointed to the deprivation in their area based on the English Indices of Deprivation 2007. Under the "Rank of employment scale", Halton was indeed one of the worst local authorities (77th out of 354), but Liverpool was the 2nd worst and Wirral was the 8th worst. There are no new indices since 2007 so we don't know what the current position is, but we suggest that Liverpool and Wirral would still be amongst the worst in England.
3. At the meeting a year ago members were told about a report commissioned from Colin Buchanan consultants. We understand that the report was subsequently discussed by members at a private meeting. The Tolls report before you on Thursday reminds you of some of the things that the Colin Buchanan report said. It is implied that the tolls benefit "*Merseyside's regional economy*" and in particular the Wirral where it is said that "*600 retail jobs*" would be lost if tolls were removed. This seems to be similar to a point that was made when the 2004 Bill was going through Parliament, and the Wirral was compared to a Scottish island where the economy was protected by high ferry charges. We would hope that you will recognise that this argument is nonsense, and you may be aware that opponents of the Bill that became law in 2004 included the spokeswoman for the Birkenhead shops, the Birkenhead market traders and the Wirral Chamber of Commerce. They recognised that tolls are a barrier that restricts

movement and “free trade”, and that they tend to create a “Wrong Side of the tracks”, with most of the jobs and facilities on the one side of the tolls barrier.

The negative economic effect of tolls was recognised by another Colin Buchanan report. This was commissioned by local authorities in the Humber bridge area and published in October 2008. The report said that the cumulative “city-regional benefit” for the period 2009-2032 of removing tolls was £1,108.3 million.

4. It is also said that as per the Colin Buchanan report “*Were the tolls to be removed, the traffic demand could increase by up to 40%*”. Similar claims about increased traffic and congestion were made in Scotland before the last tolls were removed there and it was said that the claims were proved by traffic models. The reality when the Scottish tolls were removed was that traffic flowed more smoothly and there was less congestion. The current congestion in the Mersey Tunnels is due to three main factors – the tolls acting as a barrier to smooth flow of traffic, the poor roads near the Tunnels exits in Liverpool and the frequent and we believe badly timed Tunnel lane closures. That the Tunnels without tolls would not be a bottleneck is we believe demonstrated by various things including -
 - (a) The Runcorn bridge with 4 lanes carries as much traffic as the 8 Tunnels lanes.
 - (b) A recent report from Tom-Tom (the sat-nav firm) named the most congested roads in Britain. The second worst was the Wallasey Tunnel approaches, and the third worst was the “*B5159 in Warburton*” which is the approach to another toll barrier at a bridge crossing the Manchester Ship Canal.
 - (c) Few authority members will be old enough to remember, but there used to be almost total gridlock in Liverpool City centre during the evening peak. Even before the opening of the Wallasey tunnel that gridlock was removed. The way that they did it was that they removed the toll collection on the Liverpool side, so that all collection was on the Birkenhead side and vehicles queuing to pay the toll were no longer clogging the city centre.
5. It is sometimes suggested that Tunnels Users are getting a good deal compared with public transport users. The fact is that roads users pay about one billion pounds a week in fuel duty and other taxes to the Government, whereas public transport is subsidised. The public transport subsidies in the authority’s budget are substantial. There are 39 million journeys a year by the rail services, the subsidy seems to be of the order of £90 to 100 million – that is a subsidy of about £2.50 for each journey. The ferries have about 700 thousand passengers a year, and the subsidy is about £4 million which works out at about £5 a passenger. Tunnels users receive no subsidy.
6. Due to the way in which the Tunnels budget is presented, some members seem to have the idea that the Tunnels only just break even, as the expenditure is shown as equal to the income. In fact for the coming year, it seems that just under £7.8 million would be transferred from the Tunnels to finance other Merseytravel activities and even if there is no toll increase, then the transfer would be about £5.9 million.

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