

TRANSPORT COMMITTEE – INQUIRY INTO STRATEGIC RIVER CROSSINGS

Submission from National Alliance Against Tolls

1. The Committee received 35 submissions from 34 organisations or individuals, including the NAAT. Of the 34, 14 supported tolling, another three implied support for tolling, ten either did not mention tolling or gave no clear indication of their views on tolling and seven opposed tolling or some aspect of it. (See appendix for details.)
2. The Committee invited various organisations, including some that had not submitted written evidence, to give oral evidence. All of the organisations giving oral evidence supported tolling, though the Campaign for Better Transport did have some reservations.
3. It appears that the Committee view tolling as inevitable, but having seen all the submissions and read the transcripts of the oral sessions, we have some comments on the evidence that the Committee were given about tolling.

Government policy on tolling of crossings

4. In their submission the DfT say (twice) that “It has been Government policy since 1945 that estuarial crossings should be paid for by the user rather than the taxpayer”.
5. As we pointed out on our first submission there are about 100 crossings in Britain which cross the sea or tidal waters, and there are tolls at only 9 locations. There are also about ten tolled crossings that are *not* estuarial. So despite the impression that the Government want to give of a logical consistent policy, the reality is that crossings are not tolled on the basis of whether they are 'estuarial'. It really depends on two factors. The first is that there is a lack of a real alternative for drivers. The second is that the crossing users are politically weak.
6. The Government evidence said that users of tolled crossings should pay because of the 'exceptional' benefits that they get. When most major tolled crossings were built, it was on the basis that the cost of construction would be recovered from tolls but once that had been achieved then the crossing would become part of the untolled road network. In practice, after drivers have paid enough tolls to pay off construction costs, they have to continue to pay. If the original basis of tolling had not been changed and / or tolls monies not diverted to other purposes, then there would be almost no tolled crossings left.

Barrier-less tolling

7. TT2 (the Tyne tolled tunnels concessionaire) were asked by the Committee “Would it be better to remove .. toll booths and have free-flow technology?” The answer was “If you use open-road tolling, at the moment you are looking at between 80% and 95% of theoretical revenue being collected”.
8. Operators of barrierless tolls do not usually reveal how many people will not pay, as it might lead to a situation where no one paid. But if the non payment levels became as high in England as it is suggested they are elsewhere, then perhaps the end of barriers might expedite an end to tolling. Though it is probably more likely that there would be more courts and bailiffs.

9. Gravesham Borough Council's submission said that "The Borough Council objects to tolling of river crossings as it impedes interaction across them." But most of the submission was about the recent changes to Dartford toll collection system - "it would seem that the sole purpose of the changes is as a make-work scheme for debt collectors and to provide the Highways Agency with a nice little earner."

10. We assume that the Committee reject the views of Gravesham Council and instead endorse what the Institution of Engineering and Technology said in support of the barrier-less tolling at Dartford: "the tolling .. regime .. demonstrates how to implement free-flow technology. The additional land for toll plazas is no longer required. Queuing at toll barriers is eliminated .. Removing the need to slow down and stop at toll barriers and then accelerate reduces the noise pollution and the air pollution caused by vehicle emissions."

11. The problems that toll supporters belatedly admit to, and which they say have been removed, had of course existed at Dartford for about 50 years before the removal of barriers and they still exist at most other tolled crossings. During those 50 years, drivers using the Dartford crossing have been forced to endure major frustration in queues, and businesses will have lost billions of pounds, all so that the authorities could get money from drivers. Drivers who are now supposed to bow down in gratitude, though perhaps the drivers who received one of the 130,306 Penalty Charge Notices issued for the Dartford Crossing in December 2014 will not be grateful.

12. When the barrier-less tolling for the Dartford Crossing was introduced at the beginning of December the DfT tried to give the impression that people would be paying less and said they were "helping more people than ever save". This is not correct. A driver would only save if they switched from cash to prepayment. For those drivers either already on Dart tags or who continued to pay as they used the crossing, the price increase was 25%.

13. The 25% Dartford toll increase was in the opposite direction to the course that the 'No to Silvertown Tunnel' people had suggested was needed in their evidence about East Thames crossings: "Any solution should be looked at in the context of cutting congestion levels across east and south-east London as a whole - such as dropping tolls at Dartford, to keep unnecessary traffic off the A2, A102 and A12."

East Thames crossings

14. In an oral session, Essex County Council said "In terms of the use of tolls, I do not think any of the three of us (Essex, Kent and Thurrock Councils) here are averse to the principle of tolling, if it will get the additional crossing that is so desperately needed." Similarly the London Chamber of Commerce and Industry in their oral evidence to the Committee said "We would rather have tolls and a bridge than no tolls and no bridge."

15. The argument that you have no choice and the only way to get a crossing is to accept the inevitability of tolls is often used by toll supporters. This argument would not be accepted if it was some other public facility which was needed such as a school or hospital. Those who use this argument never mention the one billion pounds a week in taxes that drivers pay to the Government as people might wonder why more of those taxes on roads use can not be used to build needed roads or crossings

16. It also seems that despite the claimed readiness of drivers to accept tolls, most drivers will shun tolled roads or crossings if there is any real choice. This has been shown by the

failure of the M6 Toll road and by what is happening in Halton. On the opening day of the 2009 public inquiry into the 'Mersey Gateway', the Leader of Halton Council said in a televised interview "... to have one bridge free and the other bridge charged would be a waste of money as people would not use the new bridge and everyone would try and trundle across the present Silver Jubilee bridge."

17. The unpopularity of tolling is perhaps why TfL in their verbal evidence said "We would want to introduce charging; it is *not* tolling." Even those drivers who do not realise that the London 'Congestion Charge' is really a toll could not fail to realise that a 'charge' for crossing the Thames was a toll.

Mersey Gateway

18. One group invited to give evidence was the Mersey Gateway Crossings Board "on Behalf of Halton Borough Council". In the NAAT evidence we had pointed out that in 2006 (the latest year of figures given to the public inquiry in 2009) the 'Annual Average Weekday Traffic' was 83,700, and that the latest forecast once the tolled bridges were open is that traffic would be 59,000. The Committee did not take the opportunity to ask about this fall in traffic of 25,000 a day; so we must assume that the building of a 'strategic river crossing' is so important that it does not matter that the overall effect of the scheme is similar to erecting 'Please Keep Away' signs at the approaches to the crossing.

19. In their oral evidence the Gateway Board told the Committee "One of the features of Mersey Gateway from the outset is that it has had the support of the local business community." At the 2009 public inquiry into the scheme, the NAAT disputed the claim that businesses supported the Gateway scheme and the tolling of the new and existing bridges. It was our view that business support was because they were not aware of the tolling or its impact on traffic.

20. The current business view of the tolls is clear from a recent (25th February 2015) letter sent by Halton Chamber of Commerce & Enterprise to the Chancellor. The letter includes:

".. Skills which are critical to business will be lost as non-Halton residents will be encouraged to look for employment elsewhere.

This, coupled with the financial impact of the tolls on the businesses, themselves, is giving way to a groundswell of negative opinion and anxiety.

As an organisation whose role is to promote, support and represent the interests and views of the business community, we have held several consultations with local businesses and there is grave concern that the tolls will disadvantage firms in Halton to the extent that some could be forced to relocate out of the borough. This will have a devastating effect on the local economy..."

21. Since our previous submission we have been trying to get more information from Halton Council about the bridge. We have not been able to get all that we asked for, but one surprising thing that has emerged is that not only is the public sector making grants to this scheme and providing or guaranteeing a large part of the funding, it is also taking the toll risk.

Humber Bridge

22. During the evidence of the Mersey Gateway Board a member of the Committee said “My view on tolling is somewhat clouded by the fact that I spent 25 years campaigning against the tolls on the Humber bridge. We got to a situation then where, thanks to the Chancellor and the Treasury team .. earlier in this Parliament—they were eventually persuaded to write off £150 million, which was twice what the estimated cost of the bridge was.”

23. In fact that £150 million was only the latest in a series of debt write offs and interest relief subsidies that started in 1992. We estimate that the total cost to Government will have been between £450 and £500 million. The construction cost of the bridge was around £100 million. So the decision to toll the bridge, not only nullified a lot of the benefits that would have come to the area after the bridge opened in 1981, it also made no financial sense.

Discounts for 'local' users and 'national' infrastructure

24. The North East Combined Authority (who let out the tolled Tyne Tunnels concession) were asked about local discounts, they said “if someone was employed and crossed the river (Tyne), they would be paying about £700 a year as a local user of the tunnel. In Dartford that is £20, and in Mersey it is free.”

25. In fact the existing tolled Mersey Tunnels crossing is not free, and a regular user paying cash would pay about £800 a year. It is in any case not clear why some of those who support tolls suggest that 'local users' should be exempt. There is no logic or equity in this.

26. There is also a question of whether under Article 18 of the 'Treaty on the Functioning of the European Union' it is valid that a public body offer a concession that is not available to a citizen from another part of the EU. This is the article under which Scotland can charge tuition fees to English students but can not charge fees to students from other EU countries.

27. At various points in the evidence given by different bodies and in their questioning, there is mention of the importance of schemes being in the 'national infrastructure plan'. It seems that no one but the NAAT has noticed how odd it is that these 'strategic' crossings are usually described as being of 'national' or regional importance, but do not get any help from the Government, except in those cases (Dartford and the Mersey Gateway) where 'locals' may get a discount which is financed by Central Government or where the tolls financing model disastrously fails (Humber).

'Dynamic charging'

28. The Committee appeared to favour widespread uniform tolling on a basis where tolls vary according to the level of congestion and asked ITS UK about this. The Committee seem to have concluded from the ITS answers that there are 'no problems' in doing this.

29. In 2008 in a NAAT submission to the Committee’s inquiry into 'Taxes and charges on road users' we mentioned some research commissioned by the DfT: "Consumer Behaviour and Pricing Structures: Final report on Qualitative research". That report has been removed from the Web, but we believe that it indicated that systems such as those used in Singapore were not practical in Britain and would be resisted by drivers who wanted a simple system for road pricing, i.e. fuel duty.

Varying tolls according to 'emissions'

30. The North East Combined Authority were asked by the Committee whether tolls could be varied “to incentivise low-emission vehicles”.

31. Given that we already have fuel duty which varies with fuel consumed and thus to a large extent with the level of various emissions, it is difficult to comprehend why anyone would like to see tolling become even more complex and inefficient by basing the tolls on 'emissions'.

Economic effects

32. Various organisations in their oral evidence to the Committee, referred to the economic benefits of a new crossing. Those benefits have of course to be offset by the cost and possible negative impacts of any road, whether tolled or not. But whatever the net benefits are they will to a large extent be cancelled by the negative effects of tolling which will divert traffic and business to elsewhere. These negative effects were ignored in the oral evidence sessions of the Committee..

33. The Minister of State at the Department for Transport volunteered to give to the Committee “pieces of data which show the .. connection” between the provision of a new crossing and “economic regeneration”. Unless that data compares the different economic effects of a tolled and an untolled crossing it will be misleading.

34. Liverpool City Region, who operate the tolled Mersey Tunnels went further than ignoring the adverse economic effects of tolls. They actually suggested in their evidence to the Committee that businesses in the Wirral (the area that is most affected by their tolls), are better off because of the tolling and that if tolls were removed then there would be major job losses.

35. This was similar to an argument that was used in the House of Lords when the Mersey Tunnels operator was seeking changes that would increase and perpetuate tolls. Their Lordships seem to have accepted this claim as they agreed to the changes despite being given a letter from the Wirral Chamber of Commerce and Industry which included:

“The Chamber's view is that tolls are detrimental to the wider Merseyside economy and that of the Wirral in particular.

The tolls are an added cost to businesses, a burden which businesses in no other area are forced to bear in the same measure. It feeds added costs into the price of goods and services in an area which has been designated for Objective One status in Europe because of the depressed state of its economy.

... One of the major industries on the Wirral is tourism, and this is particularly hard hit by tolls, which discourage visitors and leisure service users from visiting the area .. Ideally the Chamber would like to see tolls removed..”

36. If the Committee does accept the argument that discouraging cross river traffic through tolls is good for an economy, then instead of looking at the possible construction of more crossings perhaps the existing crossings should be demolished or at least closed to motor traffic. If closure or demolition is a step too far, then perhaps tolls should be placed, for example, on all the Thames bridges as a boost to the economies of South London.

Scotland

37. One of the groups invited to give oral evidence was the Association for Consultancy and Engineering. In their written evidence they named eight crossings where tolls “currently exist”. The list wrongly included the Clyde where tolls were removed at the end of March 2006 and the Forth where tolls were removed in February 2008.

38. ACE also mentioned the Forth as an example of where they said capacity had to be duplicated because of increasing traffic. In fact the new Forth Crossing at Queensferry is *not* being built because more capacity is needed. The number of vehicles crossing the Forth is within the capacity of an untolled crossing, and as there are no tolls there are no queues to pay the tolls. The new Forth Crossing is being built because the Scottish Government was led to believe that the existing crossing might have to be closed due to cable corrosion. The intention was that once the new bridge was open, cable corrosion or not, the existing bridge would be closed to almost all traffic.

39. Our original submission to the committee gave the estimated cost of the new Forth bridge as £1.4 billion. We have now got from Transport Scotland some clarification of this figure. £150 million is for 'unrecoverable' VAT and £121 million is for risk factors which it now seems unlikely will all be needed. So a cost figure that is more comparable with other crossing schemes is about £1.2 billion..

Appendix

Submissions that support tolling

Martin Blaiklock - "In the infrastructure project finance/PFI business for 30 or more years."

Association for Consultancy and Engineering - An association of consultancy and engineering businesses

Professor Harry Dimitriou, Bartlett Professor of Planning Studies, UCL

Greater London Authority - Responsible for the London Congestion Charge, Britain's largest and almost only area wide road tolls scheme.

Institution of Engineering and Technology (IET) - Professional body for engineers.

ITS UK - An association for the promotion of 'Intelligent Transport Systems' including tolling and 'congestion charging'.

Kent County Council (Conservative)

London Chamber of Commerce and Industry

Merseytravel / Liverpool City Region - Responsible for the tolled Mersey Tunnels. The City region includes Halton Council who are responsible for the 'Mersey Gateway' scheme which includes a new tolled bridge and the tolling of the currently free bridge.

Mersey Gateway Crossings Board on Behalf of Halton Borough Council - Responsible for scheme to build a new tolled crossing and to toll the existing free crossing.

North East Combined Authority - Responsible for the tolled Tyne Tunnels.

Simon Norton - Individual

Sanef Operations Ltd - Toll operator and supplier of toll services to other toll operators.

Department for Transport - Directly benefit from tolls on the Dartford Crossing and have for many years seen as their role: to extend tolling, to increase existing toll prices, and to boost the profits of toll operators.

Submissions that make almost no mention of tolls, but imply that they support tolling

Stephen Metcalfe MP for South Basildon and East Thurrock (Conservative).

London Borough of Newham (Labour)

Councillor John Kent, Leader Thurrock Council (Labour)

Submissions that mention tolling but do not indicate whether tolling is supported

Jackie Doyle-Price MP for Thurrock (Conservative)

John Elliott - Transport consultant (Has made two submissions, taking the two together it is not clear whether he supports tolling.)

Roger Pipe - Individual

Francis Wilson - "Chartered Meteorologist and television weatherman"

Written submissions that do not mention tolling

Tom Benton - Individual

Terry Brown- Individual

John Cox - Individual

Brian and Sue Little - Thurrock councillors (Conservative)

Port of London Authority

Mr and Mrs Alan and Daphne Revell - Individuals

Submissions that oppose tolling or some aspect of it

Automobile Association

City of London Corporation

Freight Transport Association

Gravesham Borough Council (Labour):

National Alliance Against Tolls

No to Silvertown Tunnel

Peter Smethurst - Individual

Did not make written submissions but invited to give evidence (all supported tolling)

Lord Adonis,

Campaign for Better Transport,

Essex County Council,

Greenwich Borough Council

TT2 Ltd (Operators of the tolled Tyne Tunnels)