

REGENERATION AND ENVIRONMENT POLICY AND PERFORMANCE COMMITTEE

9 APRIL 2014

45. NOTICE OF MOTION - MERSEY TUNNEL TOLLS

The Head of Legal and Member Services advised that at the meeting of the Council held on 10 March 2014 (minute 98 refers), the following Notice of Motion proposed by Councillor Les Rowlands and seconded by Councillor Andrew Hodson was referred by the Mayor to this Committee for consideration.

MERSEY TUNNEL TOLLS

- (1) Council regrets the recent tunnel toll increases for all toll classes forced through by the Labour-led Integrated Transport Authority.
- (2) Council notes that since the introduction of the 2004 Mersey Tunnels Act, sponsored by former Labour MP Claire Curtis-Thomas and supported by Labour Members throughout its passage through Parliament, Merseytravel has accrued over £40 million in surpluses which have been used on their pet transport schemes and vanity projects.
- (3) Council also notes that Merseytravel have squandered large amounts of money as can be evidenced by the £70 million failed tram scheme colloquially known as 'Line 1 to Nowhere' and its extravagance in occupying a half empty building at No 1 Mann Island.

Therefore Council believes

- (a) The consistent increases year on year is damaging Wirral's economy putting further pressure on motorists and businesses.
- (b) Council recognises such increases place a greater strain on tunnel users who have to travel to and from work placing an unfair tax burden on Wirral residents
- (c) Council recognises discount toll schemes/free crossings for local residents already exist in other parts of the country and while recognising that fast tag users benefit from a discount, Council believes that regular users should be rewarded with a local discount scheme over and above that afforded by use of the fast tag such as that announced for the Mersey Gateway Bridge of a "local user discount scheme" with up to 300 free journeys per year.

Council therefore requests the Leader of the Council and the Chief Executive to write to the Chief Executive/Director General of Merseytravel requesting an urgent meeting to discuss: if and how the Mersey Tunnels can be reinstated back into the national road network and Tunnel Tolls abolished.

If that is not possible how a 'local user discount scheme' over and above that which already exists through the Fast Tag can be implemented to ease the burden on hard the pressed motorists of Wirral.

In accordance with Standing Order 7 (6), Councillor Rowlands was invited to attend the meeting in order for him to be given an opportunity to explain the Motion. However, he had advised the Chair that he did not wish to address the Committee but was happy to provide clarification of any matters contained within the Motion. In accordance with Standing Order 7 (5), any recommendation from the Committee in relation to the Notice of Motion would be referred to the Council. Any debate at Council should take place upon the recommendation of the Committee and there should be no separate debate upon the Motion itself.

The Chair introduced Gary Evans (Head of Customer Delivery) and Frank Rogers (Deputy Chief Executive) from Merseytravel, who had been requested to respond to a number of statements made in the Notice of Motion, viz:

(a) The consistent increases year on year is damaging Wirral's economy putting further pressure on motorists and businesses.

The tolls did not rise consistently year on year and the Class 1 actual toll had risen 50p in the ten years since the Tunnels Act was introduced. He referred also to an independent report published in January 2010, which helped to understand the impacts of the tolls. This indicated that half of retail spending by Wirral residents stayed in Wirral and that, if the tolls were removed, an estimated net £80m retail spending would be lost from Wirral per annum. In addition, new business start ups and survival rates of new businesses in Wirral were the second highest in Merseyside. Businesses did cite tunnel tolls as having an impact on overall transport costs, but no more highly than congestion and not as significant as fuel costs. Less than 20% of Wirral businesses viewed the tolls as a barrier to doing business across the river and more than 60% perceived no transport barriers at all.

(b) Council recognises such increases place a greater strain on tunnel users who have to travel to and from work placing an unfair tax burden on Wirral residents

The funding mechanism for the Mersey Tunnels was different from a tax regime, in that the user paid for a service, which was not compulsory, as other modes of cross river travel and road links existed. The element of choice suggested that the reference to "tax" in this context was inappropriate. Survey data also suggested that although the greatest number of journey start locations was in Wirral (36.5%), almost two thirds of all tunnel journeys started outside Wirral, with a greater volume starting on the other Merseyside districts combined.

(c) Council recognises discount toll schemes/free crossings for local residents already exist in other parts of the country and while recognising that fast tag users benefit from a discount, Council believes that regular users should be rewarded with a local discount scheme over and above

that afforded by use of the fast tag such as that announced for the Mersey Gateway Bridge of a “local user discount scheme” with up to 300 free journeys per year.

The view of Merseytravel was that it was inappropriate to compare the Mersey Gateway scheme with the Mersey Tunnels as the funding mechanism for its construction and operation was different and it would have significantly lower ongoing maintenance costs. The Mersey Gateway was within one Council area and, as a consequence, the discount was part of the approach to the project funding. It was not possible to answer detailed questions in relation to the operation of the Mersey Gateway as its tolls had not yet been set. A proposal to allocate 300 free journeys each year equated to a discount of approximately £19m per annum; such an approach would require support from the levy in order to continue to operate at existing levels, in which case the funding model would transfer to all Merseyside residents.

Merseytravel already offered a number of discounts which, if fully taken up would equate to £15.8m. The current budget set anticipated discount uptake to remain as it is, but the potential existed for an estimated £8m plus to be lost in income should all discounts be utilised. He commented that Wirral had the highest number of Merseyrail stations across Merseyside and Members were asked to note that the surplus in tunnels revenue generated was re-invested in the local transport provision. He highlighted a number of major schemes that had progressed in recent years.

The Motion had also made reference to a request for the Mersey Tunnels to be transferred into the national road network. Such a request had been made at the request of the Integrated Transport Authority in January 2013 and he commented that the response from the Department for Transport suggested that this was not in the Government’s plans.

Members noted that the levy had been frozen for the past two years and was anticipated to be frozen again next year. It was also noted that without tolls, increased usage could lead to severe congestion and potentially could have a detrimental impact on other cross river transport systems. In response to a question from a Member, Mr Evans indicated that the tunnel debt would be paid by 2048, at which point the people of Merseyside would be consulted.

The Labour Group spokesperson commented that the language in the first two paragraphs of the Motion were not helpful or factual and in respect of the ‘pet scheme’ or ‘vanity project’ to relocate Merseytravel HQ to Mann Island, he referred to minutes of the Urgency Sub-Committee of Merseytravel’s Policy and Resources Committee held on 7 January 2009, which showed this to be an all-party decision. He referred also to the benefits to Wirral of the levy being frozen and indicated the potential Council Tax increase that would be required if the tunnels were toll free. He commented that there was a significant cost in keeping the tunnels safe and operating efficiently and, although the Government had made their position clear in relation to estuary crossings, any proposed change would need all-party support to seek a change to the Government’s plans. He also wished to be clear that all Wirral Members of Merseytravel had voted against the recent toll increase.

On a motion by Councillor Steve Foulkes and seconded by Councillor Mike Sullivan, it was –

Resolved (10:5) –

- (1) That this Committee regrets the attempt to politicise the issue by the wording within the Notice of Motion, rather than stimulate serious debate. It also regrets that it fails to recognise the burden of high, unregulated bus and train fares on Wirral residents, wherever they travel.**
- (2) Committee notes that Wirral has benefitted greatly from the freezing of the Merseytravel levy and a direct grant of £3.3m to help offset cuts in Highways Budgets.**
- (3) Committee notes that putting the burden of tunnel tolls directly on the Council Tax would penalise all Wirral residents including non-car owners and would be unachievable. However, we recognise the issue and impact of tunnel tolls, particularly in Wirral and agree –**
 - (i) That we should support a campaign to move the funding of the tunnel crossing back to the National Highways Network, particularly in the light of the A14 ruling.**
 - (ii) That the Fast-Tag scheme should be encouraged and promoted through all Wirral Council media and outlets.**
 - (iii) That we should encourage local, flexible schemes that could assist Wirral residents in reducing costs.**
 - (iv) That, whatever the outcome, safety and efficiency of the tunnel operation should not be put at risk.**
 - (v) That Wirral will support the Merseytravel campaign to reduce excessive bus and train fares.**