

REPORT TO: POLICY & RESOURCES COMMITTEE 14 AUGUST 2006

REPORT ON: TOLLED BRIDGES REVIEW

REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION

REPORT NO: 455-2006

1 PURPOSE OF REPORT

- 1.1 This report considers the statement made by the Minister of Enterprise Transport and Life Long Learning made on 1 March 2006 in respect of the outcomes of the Scottish Executive's Tolled Bridges Review Phase Two. It also forms the basis of this Council's responses to a letter from the Scottish Executive dated 1 June 2006 requesting any factual evidence either in support of the retention or removal of tolls from the Tay and/or Forth Road Bridges. This evidence will inform a further study of the economic, social and environmental costs and impacts of retaining or removing the Tay and Forth Tolls announced by the Minister on 30 March 2006. Consultants are to be appointed by the executive with a first report expected later this year.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the contents of this report and
- 2.2 Remit the Director of Planning and Transportation to write to the Scottish Executive indicating Dundee City Council's desire to remove the Tolls from the Tay Road Bridge and
- 2.3 Authorise officers of the Council to engage fully with the study consultants to inform on the impacts of tolls on Dundee City.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial consequences to the Council.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 Any positive or negative environmental impacts associated with the retention or the removal of tolls will be included in the study commissioned by the Executive.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 There are no direct equal opportunities implications.

6 BACKGROUND

- 6.1 On 1 March 2006 the Minister for Transport announced to the Scottish Parliament the outcomes of the Scottish Executive's Tolled Bridges Review Phase Two. This announcement included the fact that tolling would end at the Erskine Bridge from 31 March 2006. However, the Review found that Tolling should continue at both the Tay and Forth Road Bridges.
- 6.2 The Scottish Parliament has sought to consider the impact of tolls further.

- 6.3 Whilst Ministers are reported as to be remaining to be committed to the outcomes of the Review they understand the Parliamentary concerns expressed.
- 6.4 The Minister for Transport in this context announced on 30 March 2006 that a further study would be undertaken and confirmed this in response to a Parliamentary Question (S2W-25967) on 17 May 2006.
- 6.5 The Scottish Executive will engage independent consultants to carry out a detailed study of the economic, social and environmental impacts of the tolls on the economy and local communities in Fife and Dundee.
- 6.6 The study will also examine the impacts nationally and it will follow the principals set out in the Scottish Transport Appraisal Guidance and the first report is expected from the consultants later this year.

7 THE MINISTERS STATEMENT - OUR COMMENTS

- 7.1 A verbatim copy of the Ministers statement is contained in Appendix A however in summary it can be considered in four sections: i) Overview of Phase One - Skye Bridge Decision; ii) General Framework for Phase Two Decisions; iii) Individual Bridge Circumstances; iv) Conclusions.

- 7.2 Overview of Phase One - Skye Bridge Decision - The Minister states that Phase One found that "there would be no adverse environmental impact from removing the tolls at Skye - and tolls were lifted from Skye Bridge on 21 December 2004".

This implies that the only reason for tolling was environmental. It could also be proven that removing tolls from Tay Road Bridge (TRB) will have no adverse environmental effect.

- 7.3 General Framework for Phase Two Decisions - Phase Two focussed on principles and management structures. There are a number of conclusions reached from this approach. Firstly each bridge has its own unique circumstances and one size does not fit all. This means there needs to be consideration given to Council policy on whether it supports the principle of no tolls on any bridge in Scotland or concentrates on removing tolls from Tay Road Bridge on misleading information and conclusions during the Phase Two Review. This report focuses on the latter.

- 7.4 Individual Bridge Circumstances - This paper concentrates on the individual circumstance of the TRB and the reason given for retaining tolls.

- Reason 1 - the capital costs of the bridge have not yet been repaid
- Reason 2 - the tolls play a role in demand management
- Reason 3 - congestion problems and air quality problems in Dundee City Centre would be worse without tolls
- Reason 4 - the board needs to upgrade the tolling facilities to help ease Dundee's air quality problems
- Reason 5 - the bridge must play a key part in Dundee Central Waterfront Development regeneration

- 7.5 Reason 1 - the capital costs of the bridge have not yet been repaid - The cost of constructing the bridge in 1965/66 was of the order of £6m, but the debt currently lies at £12.3m. The construction costs of the bridge have been repaid the outstanding

loan debt is in respect of capital loans required for substantial capital and maintenance works that have to be carried out over the last 30 years, such as the bearings replacement contract. Both the Forth Road Bridge (FRB) opened in 1965 at a cost of £11.4 m and Erskine Bridge opened in 1971 have repaid their original construction costs, but both continue to have ongoing capital and maintenance costs.

Repaying the construction costs is used as a reason for removing toll on the Erskine Bridge (but not on the FRB or the TRB). However, given the above, it seems a moot point to differentiate between the original construction costs and the ongoing capital and maintenance costs.

- 7.6 Reason 2 - the tolls play a role in demand management - Comparison of traffic growth for traffic entering Dundee City Centre tends to suggest that the tolls on the Tay Road Bridge do not play a role in demand management. As part of the Road Traffic Reduction Act monitoring regime, Dundee City Council has established a cordon of traffic count sites around the city centre area and counts all traffic entering and exiting the city centre. Between 2001 and 2005 the total number of vehicles entering and exiting the city centre on an average day has increased by 5%. However, over the same period, traffic on the Tay Road Bridge has increased by 7% ie traffic has increased more on a tolled road than on non tolled roads entering Dundee City Centre.

From this it can be concluded that the tolls at current levels do not play a role in demand management, but other factors such as land use planning are playing a role.

- 7.7 Reason 3 - congestion problems and air quality problems in Dundee City Centre would be worse without tolls - This statement is incorrect and in fact the opposite is true. Traffic modelling undertaken in Dundee using a Paramics model shows that the bridge tolls cause queues to develop causing congestion throughout Dundee City Centre and beyond, especially during the week day evening peak.

The modelling also shows that if the need for vehicles to stop and pay for tolls on the bridge is removed the congestion in the city centre is significantly reduced, thereby improving air quality.

It can therefore be concluded that without tolls, congestion and air quality problems in Dundee would be better.

- 7.8 Reason 4 - the board needs to upgrade the tolling facilities to help ease Dundee's air quality problems - The life of the current tolling equipment is coming to an end and the necessary maintenance support will no longer be available due to the old technology involved with the current tolling equipment.

The minimum requirement to replace the current toll system on a like for like basis is £1.8 million, but this would not alleviate the current queuing that causes congestion in Dundee City Centre. The minimum requirement to reduce the queuing at the tolls would be to introduce electronic tolling and add an extra lane at the existing toll plaza location at a cost of £6.7 million. The option mentioned in the Minister's Statement of moving the toll plaza to the south side to ease Dundee's air quality problems is estimated at £13.3 million.

Dundee's air quality problems could be equally eased by removing the need to collect tolls, as although the current toll booths do not have the capacity to cope with

evening peak traffic of over 1,600 vehicles per hour, the actual bridge capacity with no tolls is 3,600 vehicles per hour. This could be achieved at minimum costs.

It seems obtuse to add to the £12.3 million debt by spending £13.3 million to upgrade tolling facilities to reduce Dundee's air quality problems, when removing the tolls would achieve the same benefits. There are a couple of ways of looking at this:

- the current debts will double so rather than paying an extra £13.3 million, why not write off the £12.3 million, as cost to society and benefit is approximately the same.
- the need to pay £13.3 million to upgrade tolls means charging tolls to allow tolls to be collected.

It can therefore be concluded that removing the tolls achieves the same goal as upgrading the tolls ie reduces congestion in the Central Waterfront and improves air quality without the need to spend £13.3 million.

7.9 Reason 5 - the bridge must play a key part in Dundee Central Waterfront Development regeneration - The Paramics modelling work referred to in 7.7 shows that for the Central Waterfront Development road network to operate, there must be no queues related to the Tay Road Bridge Tolls. This can be achieved by spending a minimum of £6.7 million on a new toll plaza, or the "preferred" option of £13.3 million to move the tolls to the south end of the bridge or **by removing the need to collect tolls.**

It can be concluded that removing queues at the Tay Road Bridge tolls is required for the Central Waterfront Development regeneration and removing the tolls would achieve this.

It is also worthwhile considering the reasons for removing the tolls on the Erskine Bridge. The reasons given are the original construction costs of the bridge have been repaid, although there are ongoing capital and maintenance requirements and removing the tolls would have a beneficial impact on air quality on Glasgow city centre. Treating these one at a time:

- Both Tay Road Bridge and Erskine Bridge are exactly the same in that their original construction costs have been repaid and they both have an ongoing maintenance burden.
- Contrary to the Ministers statement, removing the tolls would have a beneficial impact on air quality in Dundee city centre.

7.10 Conclusions

The Minister concludes "We will help the Tay Road Bridge Board to deliver for Dundee's regeneration."

The key part that the Tay Road Bridge has in delivering Dundee's regeneration is to ensure there is no queuing on the bridge outbound from the Dundee end. This can be achieved by removing the tolls. It is also considered that removing a tolled road surely must encourage Dundee's regeneration.

The Minister commends his approach to Parliament as a principled and consistent approach. This paper shows that the principles governing the decision to abolish

tolls from Erskine Bridge also apply to the Tay Road Bridge and it would therefore be consistent to abolish the tolls from the Tay Road Bridge.

8 CONSULTATIONS

- 8.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

9 BACKGROUND PAPERS

- 9.1 None.

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THE MINISTERS STATEMENT TO PARLIAMENT

Presiding Officer, I regret that parts of the Review have reached the public domain before today. I deprecate those links. I have the permanent Secretary to investigate, to find out who leaked the Bridges Review and why.

Presiding Officer I want today to announce the findings of the Tolled Bridges Review and how we will move forward with the Forth Road Bridge.

In our Partnership Agreement, we committed to reviewing all tolled bridges in Scotland. The first phase focussed on toll levels and current experience. It found there would be no adverse environmental impacts from removing the tolls at Skye - and tolls were lifted from Skye Bridge on 21 December 2004.

Phase Two focussed on principles of management structures. The principles established in the Review provide the framework for our decisions.

Each bridge has its own unique circumstances - different traffic patterns and levels of congestion. No therefore to a one size fits all approach.

Tolled bridges should not be managed in isolation - they need to be integrated with all transport options.

Where tolls were set up to pay for the provision of a bridge, and outstanding costs remain, there is a strong case for their retention.

Bridge tolls play an important role in addressing congestion. In the longer term, it may be preferable to replace tolls with a national approach to road user charging, but in the meantime it is necessary to use tolls.

But I have two caveats that should be met before toll increases are made.

First, where public transport services are already at capacity, visible and necessary improvements should be in place before toll increases are made to provide genuine alternatives for travellers.

Second, where a tolling regime is required, bridge maintenance is the first priority for expenditure. Where there is extra revenue, this should be invested in local transport improvements.

Can I now turn to the individual bridges:

Firth of Forth

This government's key objective for the Firth of Forth is to maintain the crossing.

The construction of the bridge has been paid for. But there is a strong case for continued tolling to manage the growing demand and meet the high cost of providing a facility of this scale.

The bridge runs at capacity at peak times, peaks are widening, and around 70% of vehicles crossing the bridge contain only the driver.

This is unsustainable. Such congestion is bad for motorists, the environment, public transport users and our economy. Removing the tolls would simply exacerbate this situation - this Government is not prepared to countenance that.

I do recognise the difficulties commuters face between Fife and the Lothian's. Some have public transport options, others do not. While there are good public transport links to Edinburgh city centre, only 11% of morning trips from Fife end there. There are greater challenges in providing effective alternatives for the 33% of destinations west of the bridgehead, or the 25% to West Edinburgh.

Much is already planned to assist travellers:

- The Stirling Alloa Kincardine rail project and the Waverley Station redevelopments will give extra capacity between Edinburgh and Fife, providing at least an extra 800 train seats per hour in 2008;
- The Bus Route Development Grant has provided funding for services between Inverkeithing Railway Station via Ferrytoll to Edinburgh;
- We are providing funding for bus station enhancements in Fife;
- We will fund the Markinch integrated rail and bus interchange, starting this summer;
- The A8000 upgrade, which we support, should complete in early 2008.

Before there is any toll increase on the Forth, travellers need to see the completion of visible improvements like these.

We have, therefore, decided to reject Forth Estuary Transport Authority's Application. We want to concentrate on taking a strategic approach to improving all public transport in the region. This will be led by this devolved government and Transport Scotland working alongside FETA, local authorities and the Regional Transport Partnerships.

The issue that is of most concern is the Forth Bridge cable corrosion.. We have now considered the findings of the independent technical audit of FETA's analysis.

There are no immediate safety concerns on the bridge. However, there are two potential long-term problems:

- If the corrosion can not be slowed or halted, the bridge may have to close to HGV's between 2013 - 2018 and to cars between 2019 - 2024. The experts cannot be more categorical on dates now - it is not an exact science. This is the risk as they judge it now.
- FETA is currently instructing further work:
 - 1 fitting acoustic monitoring on the bridge cable;
 - 2 a feasibility study into de-humidification to slow or halt the corrosion; although if this system is fitted we may not know the results for several years;
 - 3 a study into strengthening or replacing the cable - due for completion around summer 2007.

The most optimistic timeframe for replacing the crossing is around 2014, if work starts now. It is prudent, therefore, to start the planning now. However, such planning may prove unnecessary if methods are found to safeguard the existing bridge with more certainty.

Starting preparatory work now does not commit us to constructing a new crossing. But - given the evidence - it is essential to start preparations in case we need to replace the bridge. This ensures that if we need a new crossing, we have not lost time waiting for the results of relevant studies.

Transport Scotland will take forward this work as part of the Strategic Projects Review. The role of any replacement crossing be properly considered in light of the National Transport Strategy.

Due process must be followed. I am unable to say now what the design of a replacement crossing would be, what it would cost, and how it would be funded. These issues will be examined as this work proceeds. Environmental considerations will be a critical part of the analysis.

The Bridges Review was also about the Firth of Tay and the Clyde.

Tay

The Tay Bridge joint Board owns and operates the bridge and 65% of its trips are from local traffic. The capital costs of the bridge have not yet been repaid.

Its tolls play a role in demand management. There are congestion problems at peak times and Dundee City Council is an Air Quality Management Area. Bridge traffic contributes to these problems. These would be worse without tolls.

The Board needs to upgrade the bridge's tolling facilities and is considering moving the toll plaza to the south side to help ease Dundee's air quality problems. Importantly, it must consider its role in the Dundee Central Waterfront Development. This development will create a sense of dramatic arrival for travellers entering the city, and the bridge must play a key part in this regeneration.

However, the Board has no powers beyond maintaining and operating the bridge itself.

We have decided, therefore, that tolls should remain, and the Board should be given more flexibility to deal with transport issues in its vicinity.

Erskine

Turning to the Erskine Bridge. Construction costs have been met, although there are ongoing maintenance requirements. Removing the tolls would ease congestion, particularly through the Clyde Tunnel and the Clydeside Expressway.

Glasgow City Council has declared an Air Quality Management Area covering the city centre. The predicted reductions in traffic of removing the tolls would have a beneficial impact on air quality.

I am pleased to announce that in the light of these benefits, tolls will come to end on Erskine Bridge on 31 March. But it is essential that we prevent the new space on the road from filling up with new traffic.

I will be looking to Glasgow City Council and the Regional Transport Partnership to commit to and implement measures that 'lock in' the benefits from toll removal.

While I understand that ending the tolls will be widely supported, I am aware of the difficulties this may cause toll collection staff. Support will be provided by the Renfrewshire local response team as part of the Executive's PACE framework if required.

Conclusion

Presiding Officer, we must be decisive and act now.

We will plan a replacement crossing if it is needed, to maintain the links between Fife and the Lothians.

We reject FETA's £4 tolls.

We will abolish Erskine tolls because that's right for the environment and the local economy.

We will help the Tay Road Bridge board to deliver for Dundee's regeneration.

This is a principled and consistent approach to Scotland's bridges. It's a fair approach. It's the right approach. I commend it to Parliament.