

Milly Southworth

From: Torpoint Town Council <admin@torpointtowncouncil.gov.uk>
Sent: 09 October 2023 16:37
To: Milly Southworth
Subject: FW: Public Consultation October 2023 - Funding the Crossings
Attachments: TB and TF Tolls leaflet 220923 4pp A5 proof 7.pdf; TB and TF Tolls Questionnaire 0923 4pp layout 2 proof 6.pdf

Harriet Bastin

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From: Stakeholder Consultation 2023 <stakeholderconsultation2023@tamarcrossings.org.uk>
Sent: 09 October 2023 16:35
To: admin@torpointtowncouncil.gov.uk
Subject: Public Consultation October 2023 - Funding the Crossings

Public Consultation October 2023 Funding the Crossings



Dear Sir / Madam

I am writing to your organisation as a key stakeholder as part of the consultation that we are undertaking to inform the future finances of the Tamar Crossings. The consultation has three components – a representative sample of users of the crossings, a set of key stakeholders of which you are one, and general consultation open to the public.

Our income to operate, maintain and improve the two crossings comes from tolls. Since the invasion of Ukraine in Spring 2022 we have seen extremely high and unpredicted levels of inflation which have significantly affected the cost of everything we do, and this is compounded by the fact that our traffic levels are still only 90% of pre-Covid levels with a corresponding effect on income.

As a result we are now operating in deficit and have minimal reserves. The crossings operate on a self-financing basis with no subsidy from either the Government or the owners of the two crossings - Plymouth City Council and

Cornwall Council - both of which have very pressing demands on their finances and are not in a position to offer financial support.

We recognise that any price increases at this difficult time would be unwelcome, but with no signs of traffic increasing we must consider toll revision to ensure the sustainability of the crossings. Urgent action is necessary to address the financial shortfall, so we are seeking your views on some options under consideration.

We are also asking for views on whether the tolling arrangements should change in the future. We would really appreciate it if you would read the enclosed leaflet which gives more information about funding the crossings and our present predicament.

We would greatly appreciate feedback from your organisation either in your own chosen format or using the enclosed questionnaire. The background information and an electronic version of the questionnaire are attached and are also available on the Tamar Crossings website www.tamarcrossings.org.uk . Your response by 29 October would be greatly appreciated and should ideally be addressed to stakeholderconsultation2023@tamarcrossings.org.uk or alternatively mailed to Tamar Bridge, Stakeholder Consultation 2023, Pemros Road, Plymouth, PL5 1LP.

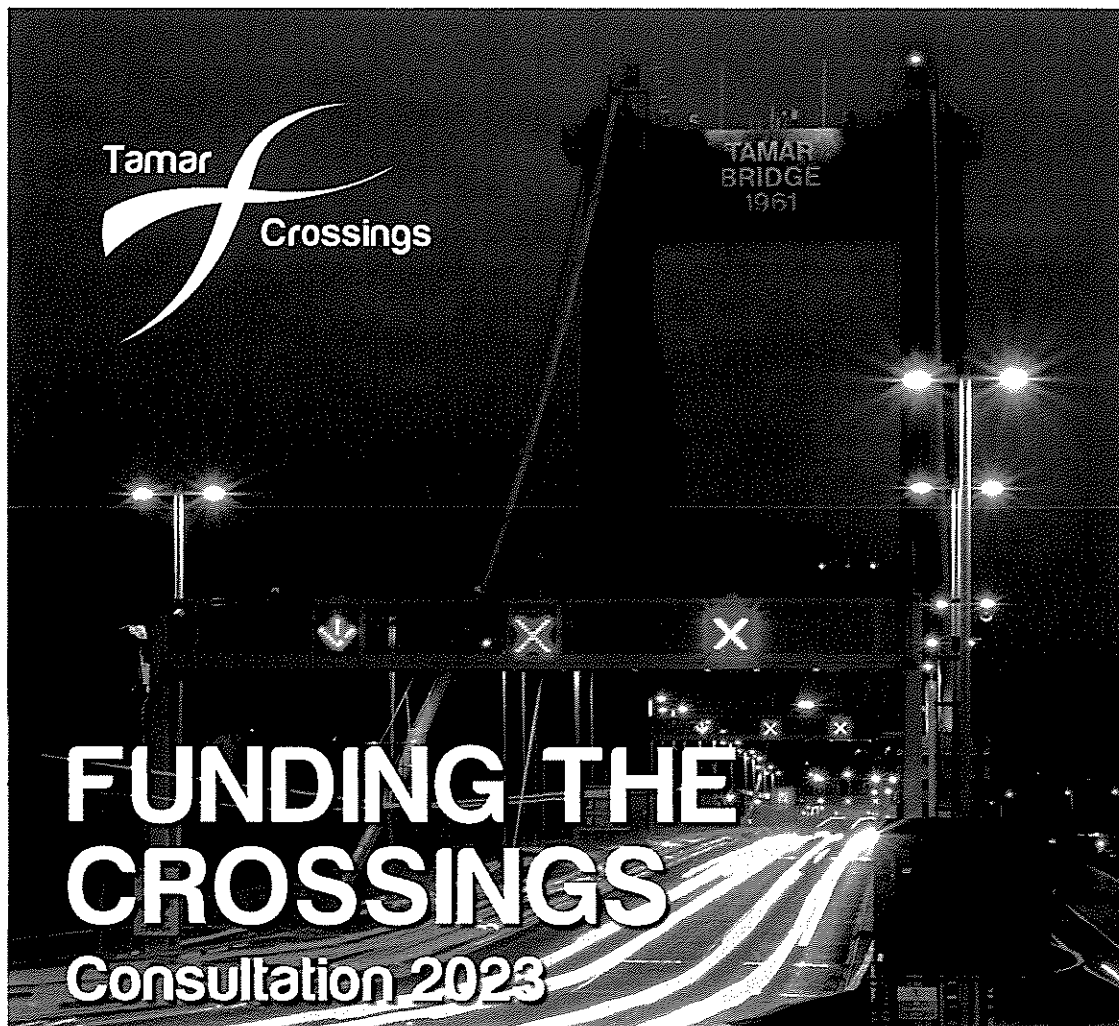
The results of the consultation will be analysed and presented to members of the Tamar Bridge and Torpoint Ferry Joint Committee at their meeting in December 2023.

If you have any queries or would like further information please do not hesitate to contact us by email: stakeholderconsultation2023@tamarcrossings.org.uk

Yours faithfully

A handwritten signature in blue ink, appearing to read 'DL', is positioned above the typed name of the signatory.

David List
General Manager
Tamar Crossings



The Tamar Crossings – the Tamar Bridge and the Torpoint Ferry – are operated by the Tamar Bridge and Torpoint Ferry Joint Committee on behalf of Cornwall Council and Plymouth City Council which jointly own them.

The crossings are operated together as a joint service and are funded on a 'user pays' principle from toll income. This means that all the money needed to operate, maintain and improve the two crossings comes from toll charges – no funding is received from the Government or from the two Councils. The finances of the crossings are 'ring-fenced' which means that any surplus is retained in reserves and any deficit depletes those reserves.

The legislation under which the crossings are operated provides a mechanism for us to apply to Government to increase tolls when there is a compelling case to do so. The toll application for the most recent increases was submitted in early Spring 2022 and took into account the impact of the pandemic, but was before the impact of the war in Ukraine and the current pressures on costs became apparent. This leaflet explains why the subsequent strain on finances necessitates the further review of prices.

Ongoing pressures

Our income depends on toll prices and traffic volume. The maximum cash toll that we can charge for each type of vehicle is set by the Government but we can vary the 50% discount that we currently give for pre-paid TamarTag crossings. Although 60% of crossings are paid for using TamarTags, over half of our income still comes from cash tolls.

Like many other organisations across the country, the impact of the pandemic left Tamar Crossings facing a significant financial shortfall. This has been particularly challenging for an operation which had planned to continue operating on a break-even basis. Traffic levels and income have remained at only around 90% of pre-Covid levels and are not expected to increase for some time, if at all.

In early Spring last year we reluctantly made an application to increase tolls and shortly after that we reduced discounts, pre-empting the change in cash tolls. The increase and the earlier change in discount prices were set at levels to provide the bare minimum income required to meet costs and maintain a small reserve fund.

The financial models in the Spring 2022 application therefore predated the Ukraine invasion and the subsequent realisation that inflationary impacts were not just a short-term spike. As a result of this unanticipated cost inflation, the recently implemented toll increases have gone from being 'just enough' to 'not enough' and without action reserves are now forecast to be fully depleted in early 2025.

Neither Council is in a position to fund a deficit and there is currently no prospect of support from Government, although the Joint Committee and the two Councils are continuing to actively lobby for that support. With the prospect of reserves fully depleting and no alternative support, the Joint Committee is required to make a decision to stabilise finances.

This leaflet explains how the operation, maintenance and improvement of the Tamar Bridge and Torpoint Ferry are funded. It also sets out the details of the options being considered by the Joint Committee for addressing the financial shortfall and ensuring that we can continue to keep both crossings operating safely, reliably and efficiently.

What is the toll income spent on?

Income from the tolls is used to operate, maintain and improve the two crossings. Over 110 staff are employed to deliver the service 24 hours a day, 365 days a year at the two crossings. During the pandemic we continued to be fully operational and maintain the crossings to delivery this critical service. Since the pandemic our costs have understandably gone up with the higher levels of inflation that we are all experiencing.

During the past few years significant works have been carried out at the bridge and the ferries. In recent years we have completed a major upgrade of tolling systems and introduced contactless payment at both crossings. We have finished some major projects on the Bridge – painting, kerbs and resurfacing totalling nearly £17m – and are about to begin significant works on the deck bearings and support cables.

At the Torpoint Ferry we have begun a cycle of refits for the three vessels, completing the first refit in June this year, with the other two scheduled for 2024 and 2025. During subsequent refits we will be replacing the chain gantries that support the tensioning weights for the chains. We will also be improving our shoreside pedestrian and traffic management system. These works represent around £7.5m of further investment.

Future aspirations include 'booth free' tolling at the Tamar Bridge and in due course there will be further cycles of bridge resurfacing and recoating.



Why do we need to revise our prices again at this difficult time?

We have been subject to the same sort of cost pressures that are affecting the whole country. For example electricity costs are four times higher than those included in the estimates we provided to government with the last toll application, and almost every other cost associated with operating and maintaining the crossings has risen significantly. We have limited ability to absorb such costs as our reserve is already minimal and because many costs are dictated by the designs of the bridge and ferries, the levels of service provided, and safe operational oversight needed at the two crossings.

Without funding support from Government or an unlikely very significant increase in traffic

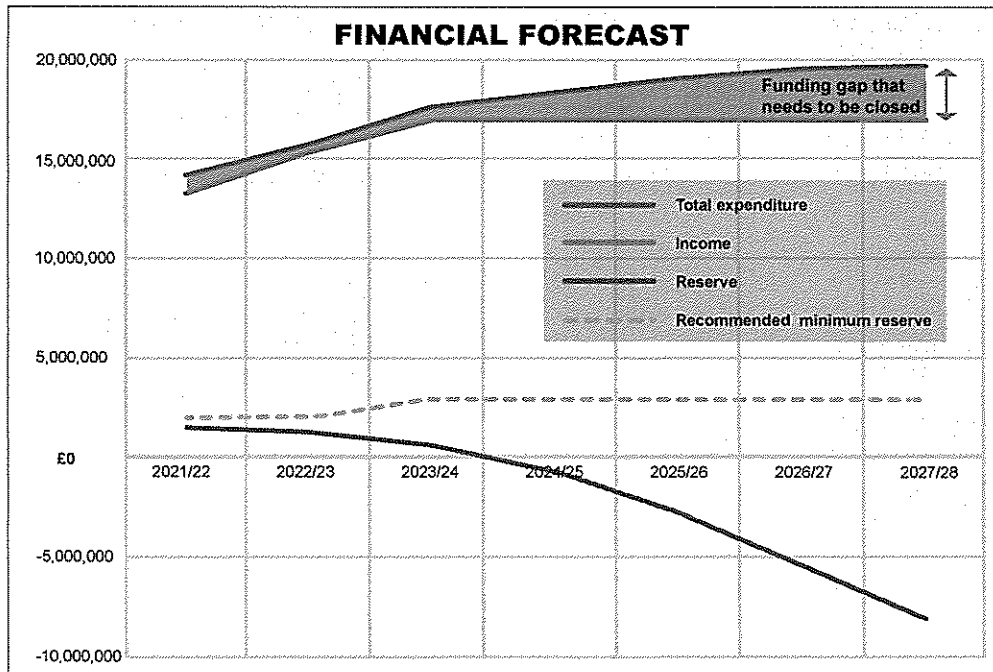
levels, we must consider toll revision. Both Councils are themselves in extremely difficult positions and are unable to provide financial support.

Increasing cash tolls involves applying to the Secretary of State for Transport under a formal statutory process, and typically takes many months to get approval.

We would not anticipate increases before Autumn 2024.

Unless prices are revised, we will face a significant and growing financial shortfall which without intervention would lead to a reduction in services.

The options we are considering are detailed overleaf.



If the Councils decide to increase tolls, subject to Secretary of State approval, prices would likely increase in Autumn 2024. Due to the financial position of the crossings, if approval permits, this increase could be implemented earlier. If the financial position of the crossings changes in a way that means the price increase does not need to be implemented then it will not be.

What are the options?

We appreciate that increases in tolls are never welcome and users would prefer that prices do not rise. However as there is no alternative means to fund our shortfall without compromising service levels or maintenance we must consider increases. These are the options under consideration using car tolls to illustrate the option with corresponding increases for other vehicles:

1 Increase tolls for cars to £3.00 cash and £1.50 tag.

This option follows our previous approach of increasing both cash and tag rates by similar percentages, keeping the 50% discount. It would however provide very little resilience and is within the margin of error on our forecasts. If costs increase faster than expected, traffic levels are lower than anticipated or there are other unexpected events impacting on finance, further increases will be required.

2 Increase tolls for cars to £3.20 cash and £1.60 tag.

This option follows our previous approach of pro-rata increases but provides the resilience that is missing from option 1 whilst maintaining a 50% discount.

3 Increase tolls for cars to £3.00 cash and £1.80 tag.

This option keeps the ceiling price of tolls the same as option 1 but addresses resilience concerns by reducing tag discount.

4 Increase bridge tolls for cars to £3.00 cash and £1.50 tag and ferry tolls to £4.00 cash and £2.00 tag.

This option reflects the higher unit cost for moving traffic across the Tamar via the ferry. This option addresses the concerns of resilience of option 1 by adding supplementary charges for ferry users. The option does however change the historical approach of equal pricing and may have an effect on usage patterns, encouraging less use of the Ferry and more traffic at the Bridge.

5 No change in tolls.

This 'do nothing' option is presented but does not provide a solution to the financial position of the crossings. The Councils are not in a position to fund a significant and ongoing financial shortfall which, without intervention carries a very significant risk to service delivery.

How you can have your say

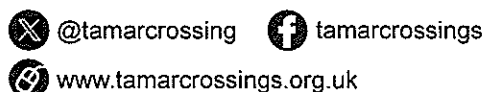
We understand that any proposal to increase tolls will be unwelcome but we want to hear the views of customers and other stakeholders to ensure that all relevant factors are taken into account for finalising any changes to toll levels.

To make sure your views are taken into account please complete the questionnaire and return it to us by 29 October 2023.

You can also download an electronic version of the questionnaire from our website: www.tamarcrossings.org.uk where you can also find more information about the proposal.

Additional information can also 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.**



Tamar Bridge and Torpoint Ferry Funding the Crossings



Consultation, October 2023

The accompanying leaflet explains our current and forecast financial position.

Please read the leaflet before completing this questionnaire.

Your responses to this consultation will ensure that all relevant factors are taken into account in considering any changes to toll levels.

Section 1 Your use of the Tamar Bridge and Torpoint Ferry

Please provide answers for both bridge and ferry

TAMAR BRIDGE Please tick one box only

1a How often do you usually travel across the bridge?

- 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?

- 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 _____

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

- 1 TamarTag
- 2 Cash
- 3 Contactless card
- 4 Sometimes cash/contactless, sometimes Tag
- 5 Exempt/free
- 6 Do not use the bridge

1d Thinking about your most frequent journey using the bridge, 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 _____

TORPOINT FERRY Please tick one box only

1a How often do you usually travel on the 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

1b How do you usually travel across on the ferry?

- 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 ferry?

- 1 TamarTag
- 2 Cash
- 3 Contactless card
- 4 Sometimes cash/contactless, sometimes Tag
- 5 Exempt/free
- 6 Do not use the ferry

1d Thinking about your most frequent journey using the 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 ferry
- 8 Other _____

Section 2 Your views on the Bridge and Ferry price structure

Currently our customers pay different amounts depending on what vehicle they drive and whether or not they pre-pay using a TamarTag account. There are potentially different ways in which tolls can be varied, and this section invites your views to inform our decisions.

We also want to know how your travel may change in the future.

- 1 We could charge differently by the time of day or the day of the week to help manage demand. Should we:**

Please tick one box

- 1 Charge more for travelling during peak times
2 Charge more for travelling during off-peak times
3 Increase charges uniformly

- 2 We could have different prices at the Bridge and Ferry to reflect the higher operating costs at the ferry. Should we:**

Please tick one box

- 1 Charge more for using the Torpoint Ferry
2 Keep the charges the same for both crossings

- 3 We could increase the pricing difference between bigger vehicles and cars to more accurately reflect the wear and tear on the crossings. Should we:**

Please tick one box

- 1 Increase the difference
2 Reduce the difference
3 Keep the current pricing ratios

- 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 Increase the percentage discount for TamarTag account holders
3 Keep the existing 50% percentage discount

- 5 We are in a climate emergency and we could reduce the impact on the environment if we encourage low emission vehicles by charging them less. Should we:**

Please tick one box

- 1 Reduce charges for vehicles with lower emissions
2 Keep charges independent of vehicle emissions

6 Do you think that your travel patterns will change in the near future?

Yes, go to question 7

No, go to question 9

7 If you have replied yes to question 6, how do you think your use of the crossings will change?

Please tick all boxes that apply

1 Less frequent

4 Using public transport less

2 More frequent

5 Using public transport more

3 At different times of day

6 Walk more/cycle more

8 What do you think would cause this change in behaviour?

Please tick all boxes that apply

1 More home working

5 Using local suppliers

2 Unemployed/retirement

6 Increased home deliveries

3 Socialising less

7 Other _____

4 Improve health/environment

**9 In order to help us analyse the responses,
please provide your postcode:**

Section 3 The options to resolve the financial shortfall

The accompanying leaflet details the characteristics of the various options being considered. Of the options which do you think is the most appropriate to resolve the financial shortfall?

Option details are as follows:

Please tick one box

1 Increase tolls for cars to £3.00 cash and £1.50 tag, with corresponding increases for other tolls.

2 Increase tolls for cars to £3.20 cash and £1.60 tag, with corresponding increases for other tolls.

3 Increase tolls for cars to £3.00 cash and £1.80 tag, with corresponding increases for other tolls.

4 Increase bridge tolls for cars to £3.00 cash and £1.50 tag and ferry tolls to £4.00 cash and £2.00 tag, with corresponding increases for other tolls.

5 No change in tolls.

For each option, the proposed toll for other classes of vehicle are available online at our website www.tamarcrossings.org.uk

Continued →

10 Have you got any other concerns or suggestions on the charging structure or the service in general?

**For further information please visit our website at www.tamarcrossings.org.uk
Please return using the pre-paid envelope provided by 29 October 2023**