

Report to:	Tamar Bridge & Torpoint Ferry Joint Committee	
Date:	8 December 2023	
Title:	Future Financing	
Portfolio Area:	Cornwall Council: Transport Plymouth City Council: Transport	
Divisions Affected:	All	
Local Member(s) briefed:	N/A	
Relevant Scrutiny Committee: Cornwall Council: Economic Growth and Development Plymouth City Council: Growth and Infrastructure		
Authors, Roles and Contact Details:	Vicky Fraser, Service Director, Environment and Connectivity, Cornwall Council, vicky.fraser@cornwall.gov.uk Philip Robinson, Service Director for Street Services, Plymouth City Council, 01752 308727 Andrew Vallance, Governance and Finance Manager, 01752 361577, andrew.vallance@tamarcrossings.org.uk	
Approval and clearance obtained:	Y	
For Cabinet and delegated executive decisions only		
Key decision? (\geq £500k in value or significant effect on communities in two or more electoral divisions)	N	
Published in advance on Cabinet Work Programme?	Y	
Urgency Procedure(s) used if 'N' to Work Programme?	N	
Date next steps can be taken	12 January 2024	

Recommendations to the Full Council of each parent authority via the Cabinet of each parent authority:

1. That having considered the contents of the report, including the responses from the public consultation an application for a toll revision, based on £3.20 cash and £1.60 tag, be made to the Secretary of State in accordance with the applicable legislation.

Recommendation to the Joint Committee:

2. That, having considered the Motion that was presented to Cornwall Council's Full Council on 28 November 2023, the Joint Committee will continue to lobby Government to provide funding for the bridge and the ferry, such lobbying to include a request for a review of the current legislation including the ability to apply RPI to tolls.
3. That officers incorporate the impact of the Joint Committee's above recommendations into the revenue estimates and capital programme for 2024-25 to be presented at an extraordinary meeting of the Joint Committee on 12 January 2024.
4. That the Tamar 2050 programme of activity be endorsed.

1. Executive Summary

- 1.1 This report provides an update on the undertaking's financial position and recommends that the Joint Committee determines a preferred option for toll revision from the options set out in the public consultation exercise undertaken 9 – 31 October 2023 and taking into consideration the budgetary positions of the parent authorities, advice from the Authorities' section 151 Officers, earlier observations made by Auditors and recommendations made by the commissioned consultants Local Partnerships in relation to stabilising the undertaking's finances.
- 1.2 Moving forward, it is proposed that, building on the work undertaken by Local Partnerships a Tamar 2050 programme is developed which is a comprehensive programme of transformation and one which will target resource and initiative in the short, medium and long term, developed in lock step with our community and the businesses who rely on them.
- 1.3 Tamar 2050 will be an important step towards delivering a modern, efficient and stable future, however it will not resolve the current lack of appropriate financial reserves nor prevent forecast deficits. Tolls need to be revised and the long lead times associated with a toll revision application leaves the Joint Committee with a very limited window to avoid a deficit reserve position and moderate the risks associated with the ongoing failure to hold adequate reserve. A decision at this meeting on a toll revision option is required to allow officers to bring forward proposed budgets (revenue estimates and capital programme) to an extraordinary meeting on 12 January 2024.

- 1.4 Feedback from the consultation exercise reflects the public's concern about any price increase and there are some shifts in opinion from earlier exercises, for example in relation to charging more at the ferry. However, the feedback from users and stakeholders that tolls should follow an alternative structure is not considered to be strong enough to require that the structure of charges is changed. Officers therefore recommend that an application for toll increase is made using an option that applies an increase to current cash and discount tolls pro-rata. The two such options consulted upon were an increase of car tolls to £3.00 cash/£1.50 tag and £3.20 cash, £1.60 tag with other classes increasing pro rata. These options provide differing levels of assurance to stabilise finances, rebuild adequate reserves and provide adequate funding for future modernisation of governance and operations, and officers recommend that the more robust option of increasing car class tolls to £3.20 cash/£1.60 tag (applied pro rata to other charges) is taken forward.

2. Purpose of Report and Key Information

Background

- 2.1 At its meeting on 3 December 2021 the Joint Committee resolved to recommend a 30% toll increase to Councils via Cabinets, subject to consideration of feedback from a public consultation exercise and implemented in stages:
- tag tolls increased in May 2022 and,
 - cash tolls increased in January 2023, following approval from the Secretary of State for Transport.
- 2.2 The proposal was anticipated to rebuild and maintain a reserve over the medium term of up to £3.3m, moderately above the £2.0m that was historically considered the minimum prudent position.
- 2.3 Public consultation was undertaken in January 2022 on the above proposed increase and the Joint Committee considered the feedback from the consultation at its meeting of 18 March 2022 and confirmed its preferred option to increase tolls.
- 2.4 The application for an increase in cash tolls was made in early April 2022 and TamarTag discount rates modified as scheduled on 1 May 2022. The application to increase cash rates was approved by the Secretary of State in November 2022 and came into effect on 1 January 2023.
- 2.5 The application made several assumptions that in December 2021 had been considered prudent. Included in those assumptions were:
- cost inflation of 3.5% during financial year 2022/23, reducing to 3% in the short-term before returning to the 2% level targeted by the Bank of England in the long-term

- interest rates on borrowing would not exceed 3.38% over the medium term financial planning period
 - salary budgets would increase at no more than 0.5% more than assumed cost inflation
 - traffic levels would increase to 90% of pre-Covid levels during 2022 and, revert to 100% of pre-Covid volumes by April 2025.
- 2.6 All four of these external assumptions have proven inaccurate for various geo-political, economic and business reasons.
- 2.7 These factors resulted in an increasing awareness that prior to its implementation, the toll revision implemented on 1 January 2023 would not build reserve funds back to prudent levels and for an initial deficit position now forecast for financial year 2025/2026 and deteriorating thereafter.
- 2.8 In response to the changes in the external operating environment, workshops took place on 10 February 2023 and 5 June 2023 which provided Members with greater detail of the financial position and the options available to stabilise the organisation's finances. The discussions covered:
- commentary on the financial position of the undertaking and the difficulty the parent authorities would have in funding a deficit position should it arise - it was clearly stated that the parent authorities expect the joint undertaking to have exhausted all options available to it, before requiring revenue support from them
 - financial models at that time anticipating full depletion of reserves during 2024/25 without intervention
 - the potential for increasing income from secondary sources and asset lease-back
 - review of expenditure and the related impact on service provision of significant cost reductions
 - finance officers' view that various pressures should be reflected in an increase in the level of prudent minimum reserve rising from the £2m set in 2012 to between £2.5m and £3m
 - the ongoing discussions with the Department for Transport (DfT)
 - feedback on the business review consultancy from Local Partnerships
 - potential decarbonisation of ferry drive systems
 - the likely timeline to gain authority to index tolls and the limited impact that indexation would make to the current financial position
 - toll revision options
- 2.9 The workshops provided a clear consensus, from Members, that current service levels should be maintained and that there should be no compromise in maintenance standards.
- 2.10 The workshops supported the ongoing pursuit of funding from DfT and confirmed the continued desire to progress a legislative route to index future tolls.

- 2.11 There was no indication of a single preferred or consensus approach towards addressing the forecast deficit position, but at the September 2023 meeting, Members resolved to consult on four toll revision options and a “no change” option.
- 2.12 Throughout this period of uncertainty, following the pandemic, much has been achieved to examine future opportunities and to consider where further efficiencies could be made (taking on board the recommendations arising from the two independent reviews of the crossings undertaken in 2018 by the Local Government Association and in 2023 by Local Partnerships). These have included:
- Moving to contactless payments at both crossings
 - Value engineering for the bridge rockers replacement project – leading to large savings
 - Traffic Data Monitoring – Leading to improved/data informed decision-making
 - Energy contract negotiation & reduced energy consumption
 - Marketing/Commercialisation of the Visitor Centre
- 2.13 Financial models have been updated for this meeting and based on some of the more recent savings/efficiencies referred to above. Nevertheless the forecast position remains one where unless there is action, to increase revenue through toll revision, annual deficits are anticipated from 2025/26 with reserves reducing until there is an overall deficit position.

Indexation of Tolls

- 2.14 As a result of the effects of the Covid pandemic on the income received by the crossings, the Joint Committee gave the officers a mandate to liaise with central government to seek implementation of a mechanism to permit the crossings to apply RPI to tolls. This has been discussed at several Joint Committee workshops and officers have held meetings with DfT colleagues.
- 2.15 To ensure that the issue of applying RPI to tolls was progressed with the wider holistic position of the crossings in mind (for example, ongoing conversations with central government on providing funding to the crossings, the consideration of alternative business models for the crossings) it was preferred that the outcome of the Local Partnerships report was known before deciding on the most appropriate course of action. The report concluded amongst other recommended actions that a toll revision application should be made as soon as practicable and that indexation to tolls should be pursued.
- 2.16 The Joint Committee Chairs drafted a letter to central government on pursuing the ability to apply RPI to tolls and, at the request of DfT, sought local MP support for the letter prior to sending. That support was considered essential to securing appropriate engagement from central government for the request.

- 2.17 Following written feedback from Local MPs, Joint Chairs, Portfolio Holders and officers met Sheryll Murray MP, Johnny Mercer MP and Luke Pollard MP on 24 November to discuss concerns expressed about the Crossings' debt levels and financial management and the proposed letter to central government regarding the ability to apply RPI to tolls.
- 2.18 A consensus between MPs and the parent authorities on support for legislative change to permit the indexation of tolls has not yet been reached. However, as there is no obvious current Bill or legislative process to which our requirements might be appended, this provides further time to work with DfT and local MPs to seek a consensus approach on this issue.
- 2.19 Financial models used in this report have assumed that the parent authorities will not now be able to secure the ability to index tolls prior to April 2027. A later date of 1 April 2027 for base indexing has been assumed in updated models. The models continue to arbitrarily assume that inflation rates mirror those used in expenditure modelling and that the Authorities choose to apply increased rates as soon as indexation allows for an incremental 10p increase in class 2 (car) tolls.
- 2.20 Given the extended schedule for possible indexation, versions of the preferred options without indexation (see 1.4 above) have been added to appendices.

Income and Expenditure Modelling

- 2.21 Since the beginning of the pandemic officers have been closely monitoring traffic levels and income and have been maintaining a contemporary budget forecasting model. The model was used to assess the impact of inflationary pressures following the Ukraine invasion and now predicts that without intervention there will be a limited reserve at the end of the current financial year and increasing accumulating deficits in future years.
- 2.22 The change in the core model over the course of the year is the result of well documented inflationary pressures, namely:
- double digit general inflation
 - extreme increases in energy and fuel costs
 - supply chain difficulties
 - higher national local government pay awards
 - higher interest rates affecting ourselves and suppliers

which were reflected in the budgets endorsed at the Joint Committee meeting of 2 December 2022.

- 2.23 The increase in the RPI inflation index to date is particularly stark when compared to the rates used in the forecasts supporting the December 2021 decision to pursue the last toll increase. The index covering the period December 2021 to October 2023 has increased by 18.9% compared to an

increase of approximately 7% that was anticipated within the December 2021 forecast.

- 2.24 Income levels from 2025 were also adjusted at the 2 December 2022 meeting to reflect the revised view that traffic would not gradually return to post-Covid levels over the course of 2-3 years. The revised officer's view is that there are significant and generally accepted factors affecting traffic volumes including home working, internet shopping and a reduced night economy which will continue to have a suppressing effect on traffic levels. Officers' view that overall traffic across the two crossings will remain at around 90% of pre-Covid levels for the foreseeable future is supported by volumes of 90.2% for the comparison of the current rolling 12 months with that of the latest pre-Covid rolling 12 months.
- 2.25 The core expenditure model has been updated to reflect the current drafts of budgets being prepared for a subsequent extraordinary meeting of the Joint Committee. Changes in both revenue and capital budgets have been marginally favourable, notably:
- a reduction in provisions for energy and fuel costs as tariffs have not risen as far as expected; and,
 - reductions in capital financing as project starts have been delayed and new approaches have significantly reduced the scope and cost of projects.
- 2.26 The estimates for inflation being used in the latest budget drafts are those being adopted within Cornwall Council – CPI at 3.3% for 2024/25 and 2.2% for 2025/26 and 1.5% thereafter. The more recent experience of RPI inflation being 1.5% higher than CPI (rather than the historic average of 0.9% higher) has been partly incorporated.
- 2.27 Although indices for the current year have slightly eased during 2023, the level of inflation remains at a higher level than has been assumed in previous models and there is risk that the misalignment will continue. The National pay award for the current year was some 3% above the 4.5% provided in the model adopted in December 2022, and given ongoing pressures on recruitment and inflation, there is some risk that agreements in the coming year and beyond will again exceed the provision for 2024/2025 of 4.5%, 3% in 2025/2026 and 2% thereafter.
- 2.28 The updated models illustrate the sensitivity of those models to external variances that will be outside the undertaking's control. Examples of the impact of such variances on the financial position include:
- each 1% variance in traffic flow from the forecast 90% would result in income changing by approximately £0.160m per annum at current toll levels
 - each 1 month delay in getting a toll order (estimated in all options as 1 November 2024) to raise cash tolls would result in the loss of approximately £0.200m based on 15% increases and £0.268m based on 20% increases

- there is a negative effect of around £55,000 per annum for every 1% above provision that national pay agreements are agreed
- additional inflationary cost pressures on non-employee related revenue budgets of 1% above rates used would add £75,000 to 2024/25 costs
- there is some uncertainty that new borrowing will be at the 3.38% rate provided for updated model, however the effect would be restricted to new borrowing and with rates 1% higher than modelled, £10,000 annually would be added for every £1.0m of new debt.

Reserves Position

2.29 The table below records the latest reserves forecasts without intervention and assumes no ongoing support payments from the parent authorities. The forecast should be considered in the context of advice that a minimum positive balance of £2.5m-£3.0m should be held against contingency and that at the end of the current financial year the position will be £1.32m below that which is considered prudent. The position is also documented in graphical form at Appendix 1a.

	end of year reserves position (£m)				
	2023/24	2024/25	2025/26	2026/27	2027/28
do nothing	+1.677	+0.511	-1.105	-3.091	-5,195

* Assumes authority given in 2025 to index tolls

2.30 The long term forecast at Appendix 1b incorporates RPI increases when the index rises sufficiently to increase rates by 10p. Although in line with approved strategy, it relies on gaining a consensus to achieve the legislative authority to do so.

2.31 Although the latest forecasts represent an improvement in the position compared to that reported at the 7 September 2023 meeting, a very significant cumulative deficit still accumulates, even with indexation. The position continues to demonstrate the need to ensure that a viable toll rate is applied prior to any indexation. It remains the case that indexation alone will not place the crossings in a viable financial position and the anticipated delay in gaining such authority reinforces the need for suitable contingency reserves.

2.32 The forecast assumes that cash and tag rates are indexed at the same time, as do each of the options for toll revision detailed below.

Toll Revision and Public Consultation

Current Position

2.33 The lead time to implement revised cash tolls is long and it is assumed that new rates could not be implemented prior to November 2024. That schedule is only capable of being met if the Joint Committee confirm the preferred revision option at this meeting and subsequently agree budgets that are consistent with that decision at an extraordinary meeting on 12 January 2024. Postponing a decision to a future scheduled meeting will not only mean that the anticipated deficit reserves position cannot be corrected by the established route of toll revision, but that some uncertainty is created in relation to the budget available in the coming financial year. Although the insertion of an extraordinary meeting into the calendar has allowed some adjustment of the programmes presented at the meeting of 7 September 2023, a decision at this meeting is very definitely now on the critical path to achieve a November 2024 increase and avoid future deficit reserve positions.

2.34 From previous reports and workshops Members are aware:

- that forecast reserve positions are below the prudent minimum level;
- that the position is forecast to further deteriorate, that a deficit reserve will occur in future years without intervention; and,
- that the position is forecast to continue to deteriorate further.

Members are also aware that any end of year deficits revert by default to the parent authorities, and both have given further clear messages that there is no budget provision to cover any deficit arising from the undertaking and that the crossings should look towards existing mechanisms to ensure that the services remain self-financing.

2.35 In addition, the position set out by Baroness Vere was very clear and that remains the documented position of central government. Despite the additional lobbying and subsequent late-Summer media statements, there is no evidence that the position will change.

2.36 The workshops and previous meetings have not generated any consensus or majority view on any viable alternative approach other than increasing tolls, nor have the workshops generated a consensus view on a proposed change of toll rates. At its June 2023 workshop, Committee Members provided feedback on a number of potential increase options that they wished to consider at its next formal meeting in September 2023. At that later meeting, Members requested that consultation take place on all options, including "no change". The options expressed in terms of the class 2 (car) toll are provided in a table at Appendix 2.

2.37 Officers remain of the opinion that there is no viable alternative to intervention in the form of toll revision and this position is supported by the external consultants – Local Partnerships, the observation made by Internal Audit and feedback from the constituent authorities' Chief Finance Officers.

- 2.38 The potential approaches which evolved at Member workshops on which consultation took place are described in sections below, with updates of accompanying graphic illustrations of each option provided in appendices.
- 2.39 To assist continued discussion, each option's impact on toll rates is expressed in terms of the effect on a class 2 toll which is that charged for cars and vans, representing more than 90% of traffic.
- 2.40 For all options other than "no increase/do nothing", it is proposed that tolls for other classes of vehicle, save the motorcycle toll at the ferry, are increased pro-rata to that of class 2. Each model reflects that proposal as well as the effect on tolls for other classes is provided in detail within the table at Appendix 3.
- 2.41 The exception to the "across the board" application of increases is the assumption that motorcycle tolls at Torpoint increase to £1.00 whichever revision option is selected. The reasons for this proposal were detailed in reports made to the 7 September meeting. Public consultation generated only one comment on the proposal, noting the disproportionate impact.
- 2.42 The modelling incorporates a revision to the timing of indexed increases, moving from the base date for indexation of 1 April 2025 to 1 April 2027, two years later. Increases are applied within models on subsequent 1 April dates following a rate of RPI increase that allows the cash toll for class 2 (cars and vans) to increase by a 10p increment and discount tolls to increase pro rata on the same date. The change in assumed timetables reflects the reality that there is no suitable legislative vehicle for change likely to be brought forward in the current Parliament. The revised view on timescales for the legislative process presents a significant risk. Failure to progress could result in the need to undertake further toll revisions following the current process.
- 2.43 Whilst in all options the percentage increases in toll rates is significant, the rate should be seen in the context of recent high levels of inflation which is likely to remain noticeably above those seen over the previous two decades. Also, any increase is not anticipated before November 2024, when it will be 22 months since the last increase in cash tolls and 29 months since discount rates were increased.

Public Consultation

- 2.44 At its September 2023 meeting the Joint Committee agreed to undertake public consultation regarding potential increases to tolls. Unlike previous consultations, there was no preferred option presented to consultees, instead four alternatives were provided, along with a "do nothing" no increase option.
- 2.45 A public information and consultation exercise was undertaken during the period 7 October to 31 October 2023. A total of approximately 31,000 users were actively approached at both crossings on Saturday 7 October and Tuesday 10 October to participate in the exercise. This established

methodology provided feedback from a representative sample of those using the crossings. Responses were received from 3,173 of those directly contacted equating to a 10% response rate. A further 4,003 responses were received via the online survey available to the general public. Together the 7,179 provide a statistically reliable sample.

- 2.46 Additional exercises took place during the period to sample pedestrian and cyclist users and to invite feedback from key stakeholders, including significant business users, MPs, transport authorities, user groups, local parish and town Councils, motoring and business interest groups. The questionnaire was made available at offices and links to the online version of the questionnaire were provided on the Crossings' website.
- 2.47 The overall number of responses at 7,179, was more than double that of the previous exercise in 2022. Analysis of originating postcodes indicates that higher percentages of respondents listed a Saltash (PL12) or Torpoint (PL11) postcode compared to 2022 but there were lower percentages participating from postcodes associated with the city of Plymouth City less across than was the case in the earlier exercise. The key areas generating responses were:

City of Plymouth	1,272 (20.3%)
Cornwall inc Caradon	4,509 (72.1%)
Caradon inc areas below	3,970 (63.5%)
Torpoint/Rame	649 (10.4%)
Saltash	1,980 (31.7%)

- 2.48 There were high profile concerns expressed and comments made about the format of the consultation whilst the exercise was still active. Most expressed concern that answers to questions asking for feedback on the structure of tolls (more/less discount, differential charging by time of day or crossing used), would be regarded as expressing support for increases. This feedback was despite there being a separate question on the options for increases which included the "do nothing"/no increase option and the ability to add additional comments. Responses made clear the questions on structure would be used to inform Members whether there was support or otherwise for the current toll structure and not presented as support for an increase in tolls. Only 3% of those making verbatim comments mentioned this issue.
- 2.49 The report on the consultation is attached at Appendix 4a. The key headlines from the report are as follows:
- 57% of respondents wanted no change in tolls, although the percentage of tag users making that choice dropped to 42% (ie a majority of tag users recognised that some increase was required). 19% indicated they wanted to 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. 14% opted for a £3.00 cash and £1.50 tag option without supplements at the ferry. 6% opted for the £3.20 cash/£1.60 tag option and the remaining 4% for the option with a reduced discount percentage.

- more respondents (44%) were in favour of increasing the TamarTag discount than favoured keeping the current 50% rate (42% of respondents). This is a shift in view from 2022 when the largest percentage (47%) favoured current arrangements.
- A majority (56%) wanted charges to be higher at the ferry than the bridge. This reflects an ongoing shift, and a 6% shift since 2022.
- A majority (53%) were in favour of keeping the existing differentials between cars and larger vehicles which is a change from 2022 when the majority (56%) were in favour of increasing the differential.
- 63% of respondents were not in favour of differential tolls at different times of the day or week which is 1% more than was the case in 2022.
- the majority view (75%) was against lowering charges for low emissions vehicles, a slightly higher figure than in 2022.
- 20% of users indicated that their travel patterns would permanently change in the near future. Of that group, 57% indicated that the change would be linked to fewer crossings.

2.50 56% of respondents offered comments, the most common categories being:

- no price increase/price decrease
- pursue central government for support
- lower charges for locals, higher charges for visitors
- abolish tolls

Commentary received was at the same level as 2022 and raised similar themes. The number of email comments received was lower than those seen in previous exercises, but comments made reflected those made via questionnaires.

2.51 Additional feedback from key stakeholders was received from eight of the respondents contacted which has been appended where permission to do so has been obtained as Appendix 5.

Toll Review

2.52 It is recognised that without funding support from other sources, there is no viable alternative to progressing authority to increase tolls. The extended process to do so provides some opportunity to modify or withdraw proposals if such support is provided.

2.53 The option selected should provide a robust solution to current needs and ensure that the Crossings can operate current levels of service sustainably,

safely and reliably, fund necessary maintenance and improvement projects, and meet historical obligations. Given recent experience, the selected option should ensure that there is sufficient contingency to cope with external pressures impacting adversely on income and costs, as well as reflecting specific risks within the assumptions made in forecasts and the timeline associated with indexation.

- 2.54 Whilst there has been some shift in the public view expressed through consultation, it remains the case that there is no decisive view to change the current structure of tolls, whether that be in relation to the weight of charges by class, payment type or whether crossing at the bridge or ferry. Officers' recommendations reflect this element of feedback.
- 2.55 The latest forecast modelling indicates that increasing the cash toll for cars by 40p to £3.00 and tag car tolls by 20p to £1.50 (recorded as Option B in previous reports and the consultation) provides income which in the final financial year of the four-year medium term financial planning timescale achieves a prudent level of reserves. With indexation achieved in the revised timescale, such adequate provision continues through the 2030s. The forecasts of annual deficit and accumulated reserves are provided in table form below and in graphical form at Appendix 6a.

annual deficit/surplus £m					
2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
-0.336	+0.489	-0.120	+0.895	+0.524	+0.407

end of year reserves position £m					
2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
+1.188	+1.677	+1.577	+2.452	+2.976	+3,383

- 2.56 The medium term figures assume no indexation which following the revised assumption of a 2027 baseline would only apply after 2029 (see Appendix 6b). Without that additional income, the Crossings' annual surplus would be on a reducing path from financial year 2031/32 and reserves would then fall into deficit by the middle of the decade (see Appendix 6c).
- 2.57 Given the risks associated with achieving indexation so far into future and that sensitivity of the financial model (see 2.28), officers recommend that Members adopt a more cautious approach, by applying for maximum car tolls of £3.20 cash and £1.60 tag. If outturn figures are more positive than is forecast adjustments can be made, for example to lower tolls, increase discounts or to fund capital expenditure directly from revenue.

annual deficit/surplus £m					
2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
-0.336	+0.489	+0.403	+2.150	+1.779	+1.663

end of year reserves position £m					
2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
+1.188	+1.677	+2.080	+4.230	+6.009	+7.672

2.58 The tables demonstrate that the additional 20p/10p per crossings of this model compared to the £3.00/£1.50 model provides significantly more financial buffer, providing contingency for delayed or no progress on RPI and some potential for a capital works "sinking fund". Without RPI this latter option retains some level of reserve until the final year of the model, 2039/40. The medium term model for this option is shown at Appendix 7a, with long terms versions at Appendix 7b (with indexation) and Appendix 7c (no indexation).

Tamar 2050

2.59 The recent discussions have suggested that progressing RPI should not be done in isolation but should be part of a wider strategic programme of short, medium and long term interventions to transform the Crossings for the future. The individual actions themselves are not new but together they provide a comprehensive commitment of a way forward to an efficient and sustainable future. Some of the narrative below is repeated elsewhere in the report but it is important that the journey of the Crossings and context for why we need a different way forward is viewed in one place.

2.60 Since 2020, the consequences of unprecedented global, national and regional shocks have brought sharply into focus the financial challenges of maintaining two crossing across the Tamar River. In particular, a reduction in post-COVID traffic levels and global energy inflation have eaten into our reserves.

2.61 Nevertheless, the Joint Committee remain fully committed to protecting the safety and integrity of these vital links for all who depend on them, particularly the local community as well as securing the long-term future and resilience of these economically critical national and regional crossings.

2.62 Throughout this period of uncertainty, much has been achieved to examine future opportunities and to consider where further efficiencies could be

made. Moreover, two independent reviews were undertaken to provide objective recommendations. These have included:

- Moving to contactless payments.
- Value engineering for Rockers replacement review – leading to large savings
- Traffic Data Monitoring – Leading to improved/data informed decision-making
- Energy contract negotiation & reduced energy consumption
- Marketing/Commercialisation of the Visitor Centre

This has resulted in significant reductions in forecast expenditure (for capital and revenue) in the region of £10million and improvements to customer experience and efficiencies in operation.

- 2.63 Whilst every conceivable option to increase income and reduce operating costs continues to be scrutinised, currently the only credible solution to maintain this critical regional asset is to increase tolls **whilst retaining the 50% TAG discount for our regular users**
- 2.64 In making these recommendations, the Joint Committee acknowledge that the existing operational and governance model is likely to risk further cycles of toll rises - increasingly hard for our residents and businesses and a reactive position that does not support the long term sustained strategic leadership to ensure the crossings are modernised and sustainable well into the future.
- 2.65 Therefore, in order to develop a modern and resilient operating environment, a new strategic approach is essential, and the current model requires an overhaul. If we are to provide users of the crossings a more stable and certain future where they can plan with a degree of confidence, see and experience visible improvements to the operation beyond the critical safety works and operational necessity.
- 2.66 National traffic forecasts demonstrate that road traffic is likely to continue to increase as EVs become more affordable. Journey time reliability will continue to be a key metric for investment and sustainable economic growth and travel choice beyond reliance on the private car will be critical.
- 2.67 Therefore, a comprehensive programme of transformation **Tamar 2050** is proposed. One which will target resource and initiative in the short, medium and long term to develop a strategic delivery programme of activities that will be developed in lock step with our community and the businesses who rely on them and engage in conversations that are much more than budget and toll raises but are focused on a truly exciting and

resilient future. Local Partnerships were commissioned in October 2022 to undertake an initial strategic view and much of the key actions below are based on taking this work further alongside additional activities.

- 2.68 **Tamar 2050** will modernise these regional assets and local landmarks making them sustainable well into the future. The programme will improve what we do, how we do it and develop a more collaborative relationship with our stakeholders. We propose nine commitments to start this process and progress will be measured by the delivery of these commitments (projects) and the benefits and improvements they bring. Officers will update the Committee regularly and report annually on progress. Members will understand that some of our commitments rely on a partnership with central government (with some that will follow the General Election 2024) to help fund and deliver the outcomes and officers will work closely with Government to bring these benefits for the local community and region.

Tamar 2050 – A programme of Transformation and Modernisation			
	Project/ Commitment	Overview	Timeframe
1.	A transformed and efficient operation	There have been significant efficiencies delivered to date. However, we won't stop reviewing further opportunities that could continue to minimise the cost of the operation of the crossings. Transformational efficiency programmes have been delivered across both Parent Authorities and it is expected that there could be some replication/support of these to the Crossings. We will commit to reviewing how the crossings function, including the Governance and Acts under which the crossings operate, with a view of looking at the best fit for service delivery both at a local and national level in the future.	Identify opportunities by March 24
2.	Optimising Income	Our crossings are an incredible and iconic asset and investment in the ancillary buildings mean that we have exceptional commercial space with which to advertise and host events. We will put a marketing plan together to explore and maximise all of these potential opportunities over the coming years.	Identify opportunities by March 24
3.	Growing and investing in local talent and celebrating Science, Technology, Engineering, Mathematics and Medicine (STEMM)	The crossings are a major local employer, providing crucial services to the local community and region. We will commit to continuing to provide apprenticeships for local people, expand our innovative programmes and ensure that we build on our women in STEMM events. Growing local talent is important to the community and the economy of the region.	2024 >
4.	Technology to improve effective toll operation	Introducing contactless payments in 2020 at the Bridge and 2023 at the Ferry was an important step forward in improving efficiencies of the toll	Decision 2024

		operation. We will now commit to investigate whether 'card only' booths could operate with the appropriate forward signage and without the need for manual intervention.	
5.	Political, Business and Local engagement – improving our connections with stakeholders.	We will commit to producing a new communications and engagement plan to encompass the range of users and ensure key stakeholders have a voice and opportunity be involved with the crossing. We will commit to a resident/haulier focus group and engage with our local MPs to ensure that we have a voice nationally.	March 2024
6.	Keeping toll prices low and providing Toll price certainty	RPI is the key to smoothing the price rises out and providing a degree of certainty for regular users of the crossing. Price rises don't have to happen every year and we will be open and transparent about needs of the crossings to operate that will in turn be important for individual and business planning. We will commit to continue our liaison with Government regarding the crossings and seek financial support regarding our investment strategy. Tolling is currently the only means to finance the crossings and our 'user pays' policy, will be focused to ensure the crossings remain one of the cheapest tolled crossings in the country.	2024 - 2050
7.	Free-flow tolling	We are committed to investigating the opportunity introduce free flow tolling on the bridge, that will hopefully bring capacity and journey time improvements. This investment will hopefully take the crossing to a new level for ease of use and future proof operations for a new era of travel.	March 2024
8.	Carbon neutral ferry operations	Decarbonisation is a policy of both parent authorities and is very much in their interest as a means of helping to address the Climate Emergency we face. We will commit to seek external opportunities for funding streams and review our new ferry procurement programme to progress options.	2030
9.	Improved Tamar connectivity and access – the bigger picture	The Tamar River - a wonderful environment, habitat for wildlife, the crossings play a key role in the newly formed Tamar Valley National Landscape, Mount Edgcumbe House & Country Park and the Plymouth Sound National Marine Park providing links and gateways regarding development and economic integration. We are fortunate to have such an asset and will commit to see if there are more opportunities for water crossings or wider transport integration and sustainability Recognising the stunning tourist	2024 - 2030

		opportunity of the Tamar but more importantly the critical travel to work and health role they play for our SE Cornwall and Plymouth communities. In addition, the Crossings need to be central to discussions about improving our connectivity, particularly the GWR, bus and ferry links.	
--	--	---	--

3 Benefits for Customers/Residents

- 3.1 Appropriate management of finances and budget monitoring ensures that appropriate resource is available for the operation, maintenance and improvement of the crossings which form key elements of the local transport network which is essential to the sustainable economic and social development of the region for the benefit of residents.
- 3.2 The retention of the self-funding principle of the crossings removes the potential negative impact on the general budgets of the parent authorities and the consequential impact on other services provided to residents.
- 3.3 The Tamar 2050 proposal, a commitment to a single programme of various and previously agreed interventions will give future certainty and improved Crossings for our users.

4 Relevant Previous Decisions

- 4.1 On 3.12.21 the Joint Committee resolved to recommend 30% toll increases to the parent authorities. [Agenda for Tamar Bridge and Torpoint Ferry Joint Committee on Friday, 3rd December 2021, 10.00 am - Cornwall Council](#)
- 4.2 On 24.1.22 Plymouth City Council approved the Joint Committee's recommended toll increases. [Agenda for Plymouth City Council on Monday, 24th January 2022 - Plymouth City Council](#)
- 4.3 On 22.2.22 Cornwall Council approved the Joint Committee's recommended toll increases. [Agenda for Cornwall Council on Tuesday, 22nd February 2022 - Cornwall Council](#)
- 4.4 On 7.9.23 Tamar Bridge and Torpoint Ferry Joint Committee resolved to undertake public consultation on toll revision options. [Draft minutes for Tamar Bridge and Torpoint Ferry Joint Committee, 7 September 2023](#)
- 4.5 On 28.11.23 A Motion relating to the future funding of the crossings was tabled at Cornwall Council's Full Council. The motion was deferred to this meeting of the Joint Committee. [Agenda for Cornwall Council on Tuesday, 28th November, 2023, 10.30 am - Cornwall Council](#)

5 Consultation and Engagement

- 5.1 The feedback from the public and key stakeholder consultation on this subject are reported above and within appendices to this report.
- 5.2 The issues set out in this report have been discussed at Member/officer workshops on 10 February 2023 and 5 June 2023, and at the Joint Committee meetings held on 2 December 2022, 3 March 2023, 23 June 2023 and 7 September 2023.
- 5.3 As set out above, no budget has been allocated to cover the forecast reserve deficit and there is an expectation that the position will be remedied by the toll revision process. This position has been detailed in related workshop presentations, reports to the Joint Committee meetings listed above and within public consultation documentation.
- 5.4 The parent authorities have approached central government for support funding and further correspondence with Ministers has been undertaken. Officers have engaged with DfT officials to pursue long-term support and to provide further clarification on potential funding models and Ministers have provided central government's position on support.
- 5.5 Local MPs have met with Ministers, and Joint Chairmen and Portfolio Holders are continuing to lobby MPs and Ministers for central government support. Joint Chairmen, Portfolio Holders and officers met with the MPs for South East Cornwall, Moor View and Plymouth Sutton on 24 November 2024.
- 5.6 Portfolio Holders have raised the issue of the crossings' funding at the Peninsula Transport Board meeting on 5 July 2023.

6 Financial implications of the proposed course of action/decision

- 6.1 Previously, the course of action has been to revise tolls to a level which generates adequate income to support the delivery of the service and provides a basic level of resilience against the risks inherent in forecasting, thereby reducing the risk of a deficit reserves position.
- 6.2 The financial implications of the recommended revision option and the cumulative reserve position is shown in section 2.57 above. This option follows the historic approach of providing suitable levels of resilience, establishing contingency against delayed (or no progress) on indexation of tolls or alternative financial management options if progress is timely.
- 6.3 The alternative approach of a slightly lower increase, detailed in section 2.55 above, is forecast to provide basic levels of financial resilience, but should there be a delay in achieving the ability to apply indexation to tolls then there would be very little reserve available to smooth the annual revenue position or manage any unforeseen issue.

- 6.4 If no revision option is selected (but indexation is achieved on schedule), the cumulative reserve position is shown in the table below, along with the annual deficit and respective required parent authority revenue contribution:

Option A – Do nothing	end of year position £m					
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cumulative reserve position	+1.188	+1.677	+0.511	-1.105	-3.091	-5,195
Annual deficit	-0.336	+0.489	-1.166	-1.616	-1.986	-2.103
Parent Authority contribution (50:50)	0	0	0	0.808	0.993	1.052

- 6.5 Central government has stated that it would not agree to National Highways (formerly Highways England) contributing to the cost of maintenance of the Bridge. Neither Parent Authority currently has any budgetary provision identified in the event that the reserve is in deficit at the end of a financial year. These funds would need to be identified, and it is possible that this could impact the delivery of other Council services or the service delivery of the Crossings.
- 6.6 Our transformation programme 'Tamar 2050', has not yet been developed sufficiently to identify any savings or costs which introduces some further potential uncertainty into forecasts.
- 6.7 Members have a duty to facilitate the setting of a balanced budget. Without the toll revision application being made to the Secretary of State, the budget of the crossings will fall into a deficit reserve during financial year 2025/26. A deficit reserve position must be rectified by the parent authorities; therefore it would have adverse implications for the parent authorities overall budgetary position.
- 6.8 From a financial perspective, there is no viable alternative option to address the financial position other than using the provisions of the current tolling framework. The officers' recommendation is to increase car tolls to £3.20 cash / £1.60 tag and other classes pro rata.

7 Legal/Governance Implications of the proposed course of action/decision

- 7.1 The Joint Committee must give conscientious consideration to the responses of the public consultation and any impacts on the protected characteristics as defined in the Equality Act 2010. These impacts have been analysed as part of the Cornwall Development and Decision Wheel (see section 9 and related appendix).

- 7.2 Recommendations made by this Joint Committee in respect of the toll revision will be made to the full Council of each parent authority via the respective Cabinets. This is because of the impact the toll revision recommendations have on the budget of the crossings and thus the budget of each parent authority.
- 7.3 In respect of the cash toll, an application for a toll revision order is made to the Secretary of State under section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954 (the Act). The process requires the parent authorities to provide public notice of the application being made and the Act provides for an objection and public inquiry process to take place prior to any Order being made.
- 7.4 In respect of any reductions in the TAG, this does not necessitate an application to the Secretary of State and can be implemented by the parent authorities.
- 7.5 The Joint Committee must also consider the motion that has been referred to it by Cornwall Council's Full Council and decide, after considering the Motion (link attached in section 4 and also included as an appendix to this report), what decision to make in respect of its future lobbying of central government. An officer recommendation in this respect is set out in the recommendations section of this report.

8.0 Risk Implications of the proposed course of action/decision

- 8.1 Risk implications remain largely unchanged from those reported to meetings which considered previous proposals to increase tolls. However, the indicative schedule for toll revision has a number of potential internal and external "pinch points". The table below summarises the risks associated with the recommended course of action and also repeats the risk of the 'do nothing' option:

Risk	Consequence	Mitigation
no intervention action is taken to correct the anticipated deficit	the parent authorities are liable to make any deficit budget right. A deficit budget presented at an extraordinary January 2024 Meeting could be rejected by Cabinets/Councils	possible pre-emptive intervention by the Authorities. eg Tag discount greatly reduced or removed until a toll order is approved
income estimates are too optimistic (inc lower traffic volumes, further lockdowns, delay in getting toll order approved, failure to get toll order approved)	financial resilience reduced and threat of deficit position for parent authorities	continuous monitoring and stress testing through modelling lower income – if necessary, reduce or remove tag discount, lobbying government
income estimates are too pessimistic	higher reserve levels than necessary, appropriate or essential	continuous monitoring and stress testing through modelling higher income – if appropriate moderate authorised increases
additional funding is provided by central government (inc DfT/NH)	higher reserves levels than necessary or essential	if appropriate moderate authorised increases
Members select a “new” revision structure on which there has been no consultation and may be challenged	the application is successfully challenged and rejected	Sufficient advice is provided prior to considering alternatives
Members select a “new” revision structure which has not been tested and modelled	the structure does not provide sufficient financial resilience	A decision is only taken with appropriate forecasts
ability to index tolls is not progressed on time or is denied	future deficit position is possible	option chosen has adequate resilience to allow sufficient time for further toll revision
unforeseen revenue or capital expenditure - inc inflation higher than modelled	financial resilience reduced and threat of deficit position for parent authorities	continuous monitoring and stress testing through modelling – amend proposal, reduce or remove tag discount, lobbying government
Cabinets/Full Councils reject TBTFJC proposals or the Authorities take opposing views	no resolution of the current reserve deficit and/or arbitration is required	Portfolio Holders’ membership of TBTF Joint Committee and incorporation of anticipated approval criteria in proposal – if necessary amend proposal

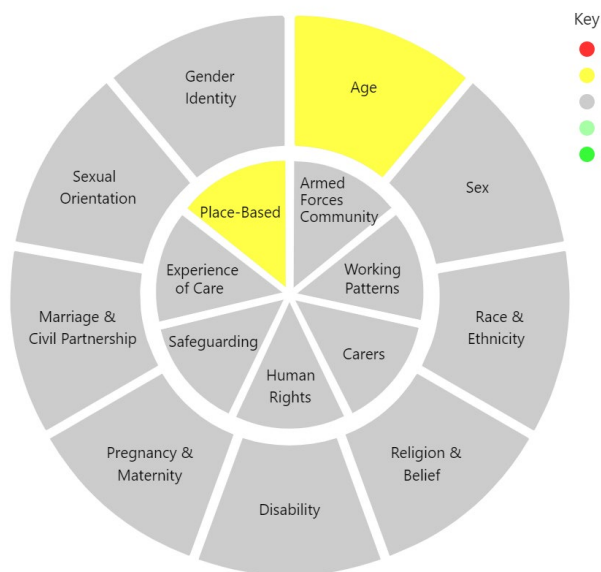
9 Cornwall Development and Decision Wheel

9.1 The Tamar Bridge and Torpoint Ferry have historically been operated together as a single undertaking on a 'user-pays' principle funded almost entirely from toll income. The need to address a financial deficit legacy from the Covid pandemic required that cash toll levels were increased following government authority to do so in January 2023 with the discounted TamarTag rate adjusted earlier by the Councils in May 2022. Traffic levels are significantly below pre-Covid levels - currently running at approximately 90% at both crossings - and are now expected to remain so for at least the next few years. When applying for the increase in early 2022, it was anticipated that a further intervention to adjust toll levels would not be required for a number of years. However the war in Ukraine, a considerable hike in fuel and energy costs and inflation exceeding 10% has eroded income to an extent that was not foreseen at the time of that application in 2022. The impact on finances is that without intervention significant annual deficits are forecast for 2025/26 and subsequent years, increasing year on year. To address this situation The Tamar Bridge and Torpoint Ferry Joint Committee recommends that Members decide on the level of financial resilience the crossings need by implementing a 23% increase on tolls to meet inflationary and related pressures and to ensure the financial sustainability of the Tamar crossings in the future.

9.2 Environmental and Social Wheel



Equality and Inclusion Wheel



Legend

	Long lasting or severe negative impact
	Short term or limited negative impact
	No or neutral impact
	Short term or limited positive impact
	Long lasting or extensive positive impact

10 Options

10.1 The preferred option is set out at sections 2.57- 2.58 above with an alternative at sections 2.55 – 2.56. Other alternative options consulted upon are reviewed below:

Do Nothing/No toll increase

10.2 This option is noted but not considered further as the reserves position remains below the prudent minimum in current and following financial year before moving into a growing cumulative deficit in subsequent years.

10.3 A deficit position must be made good by the parent authorities. Neither parent authority has made provision in their budgets for such a situation. Following the meeting of 7 September 2023, the expectation that the crossings will remedy the position through the normal toll revision process has been further emphasised by senior officers within both parent authorities.

The parent authorities have a duty to set a balanced budget every year and members have a fiduciary duty to facilitate and not frustrate this process.

- 10.4 Increases are not welcomed and understandably, public consultation responses strongly favoured this approach (57%).
- 10.5 The full effect of cumulative deficit using updated forecasts is shown in Appendix 1a/1b.

Hybrid Increase Option – cash tolls increase by 15% & discount reduced to 40% (£3.00 cash/£1.80 tag)

- 10.6 This option retains the lower increase in cash rates of the preferred option but increases resilience by slightly reducing the level of discount given to TamarTag account holders. Modelling of this option is shown in graphical form at Appendix 8.
- 10.7 The option of a £3.00/1.50 cash/tag toll above has been modified using the 15% increase in cash tolls but reduces the TamarTag discount from 50% to 40%, increasing tag rates for a car from the current £1.30 to £1.80. This option offers an increased level of resilience, achieving an adequate and prudent level of reserve by the end of financial year 2025/26.
- 10.8 After 2025/26, the assumed indexation of tolls provides a level of reserve which could allow funding of some capital projects from reserve or the assignment of reserve to a “sinking fund”. Without indexation, the model is obviously less robust but remains reasonably resilient if indexation was achieved at a later date.
- 10.9 Alternatively, the option provides some flexibility for indexed increases to the toll after 2025 such that they may be postponed or the discount rate increased as long as adequate reserves would be maintained following such decisions.
- 10.10 Some 4% of consultation respondents advised a preference for a reduced level of discount.

Uniform Increase Option with Supplementary increase for ferry crossings (£3.20 cash/£1.60 tag with £1/50p ferry supplement)

- 10.11 This option was produced to allow Members to consider and debate whether to reflect the significantly higher cost of vehicle crossings at the Ferry or to retain the existing parity.
- 10.12 As Appendix 9 illustrates, an additional £1 supplement on ferry cash tolls (50p supplement for the ferry’s TamarTag customers), has a relatively modest additional effect on reserves.

10.13 At the levels illustrated, a decision to increase ferry cash tolls by £1 more than those at the bridge has very limited effect, even without any switch in use from the ferry. Creating a more significant differential by increasing ferry tolls more substantially would likely have a significant effect on demand and not result in a linear increase in revenue. The complexity of the potential effect would have to be carefully modelled and may require that a separate and extended consultation process is completed prior to any application to the Department of Transport.

10.14 19% of consultation respondents selected this option and in response to the general question of the principle of differential pricing 56% felt that there should be a higher charge for using the ferry than that charged at the bridge. This feedback is in the context of a ratio of crossings that favours bridge use at a ratio of 7:1 and whilst it indicates a degree of preference for this option over others, the view does not provide overwhelming support for the option.

Other Options

10.15 A number of consultation respondents including some key stakeholders suggested further options, increasing discounts either generally or “for locals”. The legislative position on concessionary tolling applying to all users is clear and would prevent such a position being taken. The majority of TAG users are local in any event.

10.16 Although alternative approaches options were discussed during Member workshops, adopting an option on which there has been no consultation would be difficult in circumstances where consultation feedback has not provided very clear and unassailable support for such an approach.

10.17 Following update of the financial model, officers have reviewed the viability of smaller increases applied pro-rata to the current toll schedule and are able to assure Members that a lower £2.80/£1.40 increase would still result in overall deficit by the end of financial year 2026/2027.

Resilience Comparison

10.17 The forecast annual outturn positions and cumulative reserves positions generated by the above alternative models are set out in the tables below together with the ‘do nothing’ option and the two options recommended for consideration:

option		annual deficit/surplus £m					
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
A	do nothing	-0.336	+0.489	-1,166	-1,616	-1,986	-2,103

B	£3 cash/ £1.50 tag	-0.336	+0.489	-0.120	+0.895	+0.524	+0.407
D	£3.20 cash/£1.60 tag	-0.336	+0.489	+0.403	+2.150	+1.779	+1.663
C	£3 cash/£1.80 tag	-0.336	+0.489	+0.584	+2.585	+2.214	+2.098
E	£3.20 cash/£1.60 tag & ferry supplement	-0.336	+0.489	+0.671	+2.794	+2.424	+2.307

option		end of year reserves position £m					
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
A	do nothing	+1.188	+1.677	+0.511	-1.105	-3.091	-5,195
B	£3 cash/ £1.50 tag	+1.188	+1.677	+1.557	+2.451	+2.976	+3.383
D	£3.20 cash/£1.60 tag	+1.188	+1.677	+2.080	+4.230	6.009	+7.672
C	£3 cash/£1.80 tag	+1.188	+1.677	+2.261	+4.846	+7.061	+9.158
E	£3.20 cash/£1.60 tag & ferry supplement	+1.188	+1.677	+2.348	+5.142	+7.566	+9.876

NOTE – shading indicates reserve below level considered as the prudent minimum of £3m

11 Supporting Information (Appendices)

<u>Appendix 1a-b</u>	Graphs current position and “do nothing” option
<u>Appendix 2</u>	Key features of toll revision options presented for consultation (updated)
<u>Appendix 3</u>	Revision options – All Classes
<u>Appendix 4</u>	Consultation report
<u>Appendix 5</u>	Key stakeholder feedback (to follow)

Appendix 6a/b/c Graphs – Recommended revision option (consultation Opt B, £3.00 cash/£1.50 tag): Medium Term Forecast and Long Term Forecasts with and without indexation

Appendix 7a/b/c Graphs – Alternative “prudent” Recommended option (consultation Opt D, £3.20 cash/£1.60 tag): Medium Term Forecast and Long Term Forecasts with and without indexation

Appendix 8 Graphs – updated modelling for option c £3.00 cash/£1.80 tag: Medium term and long term forecasts

Appendix 9 Graphs – updated modelling for option E £3.00 cash/£1.50 tag at Bridge and £4.00 cash/£2.00 tag at ferry: Medium term and long term forecasts

12 Background Papers

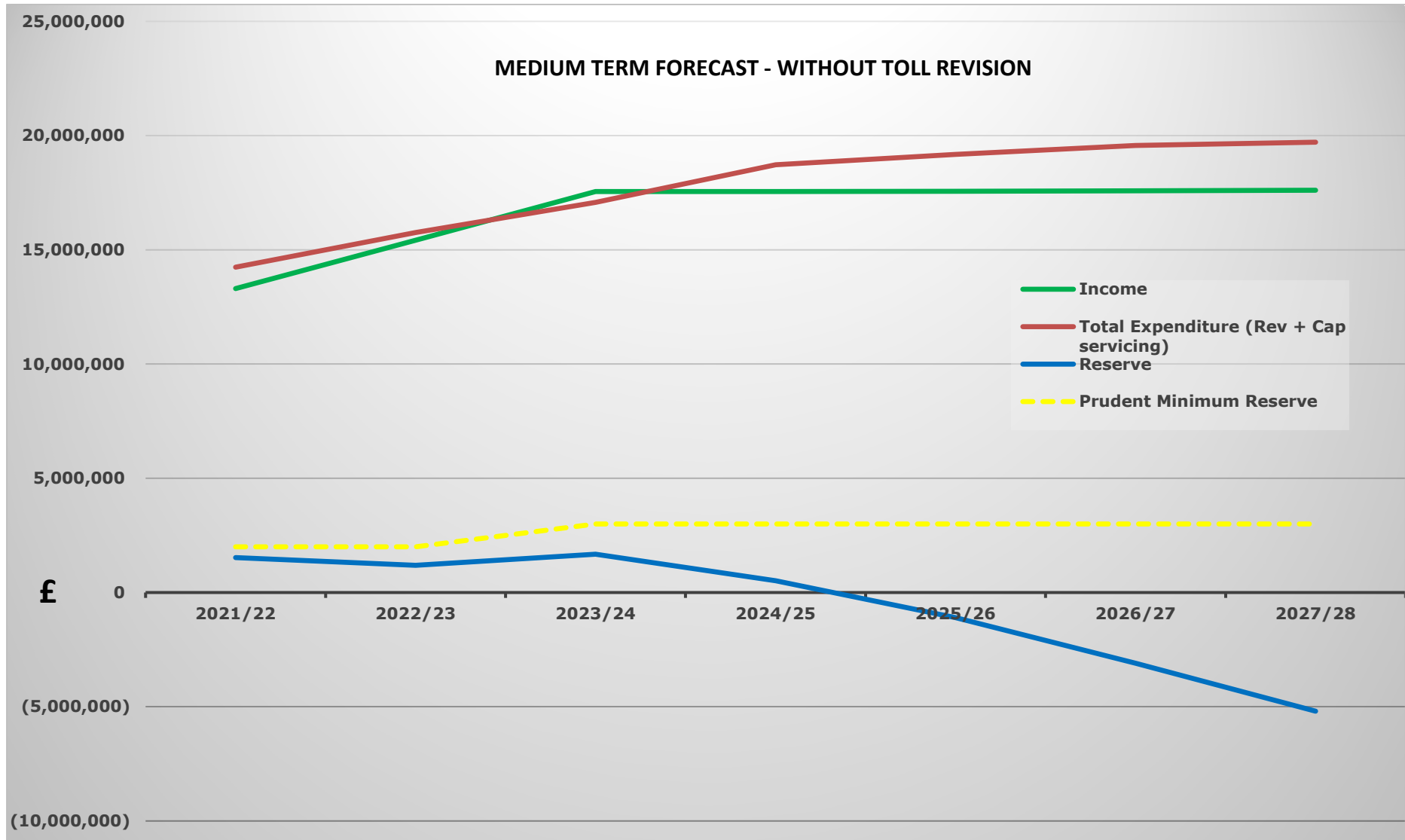
None

13 Approval and clearance

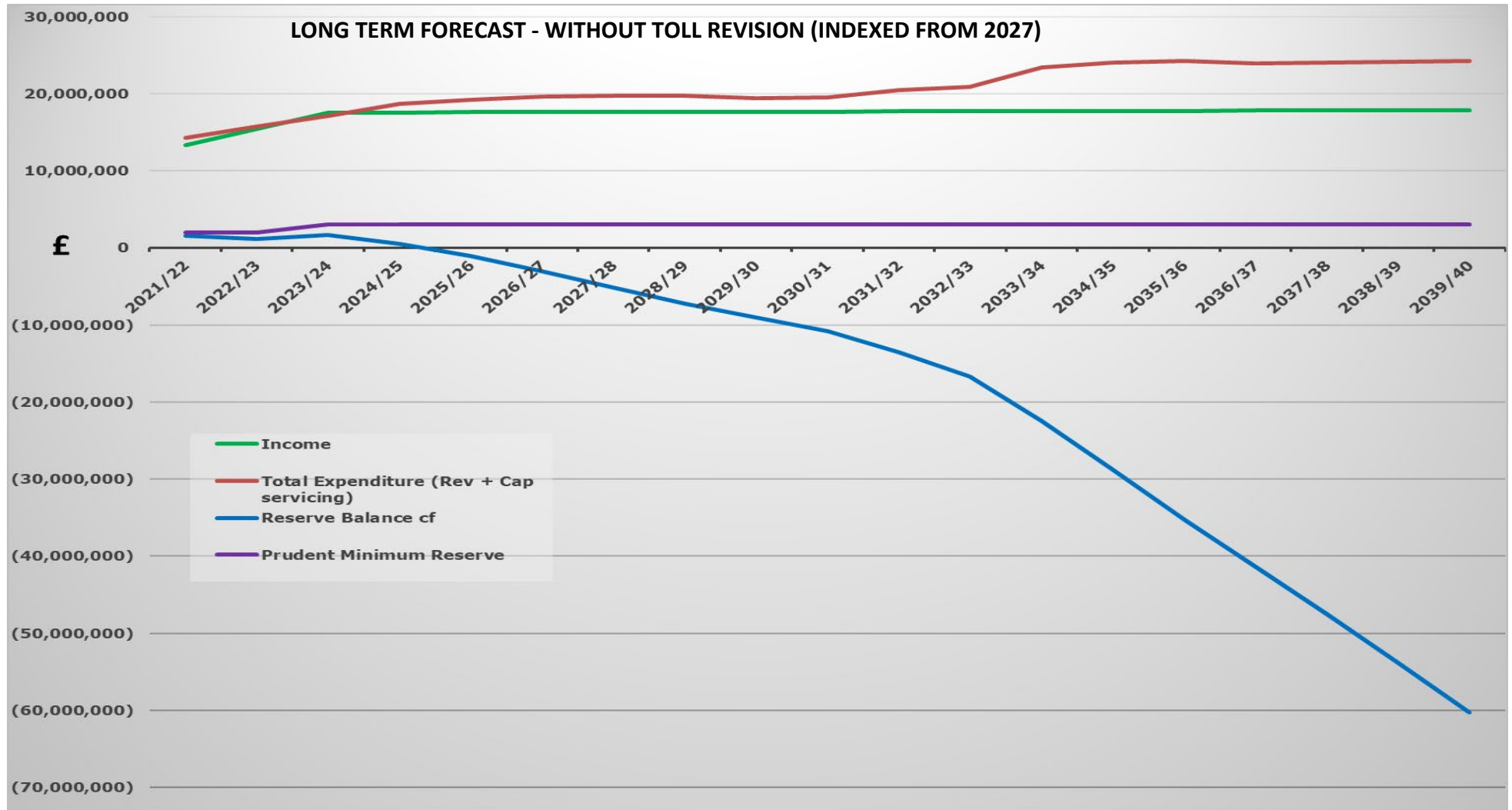
All reports:

Final report sign offs	This report has been cleared by (or mark not required if appropriate)	Date
Governance/Legal (required for all reports)	Lia Musto-Shinton	30/11/2023
Finance (required for all reports)	Geraldine Baker, Senior Business Analyst	30/11/2023
Equality and Diversity (if required)		
Service Director (required for all reports)	Vicky Fraser, Service Director Environment and Connectivity	30/11/2023
Strategic Director (If required)		

APPENDIX 1A – CURRENT POSITION



APPENDIX 1B – MODELLED LONG TERM POSITION WITH NO ACTION



APPENDIX 2

KEY FEATURES OF TOLL REVISION OPTIONS PRESENTED FOR CONSULTATION (UPDATED)

OPTION		CASH TOLL November 2024		DISCOUNT TOLL November 2024		FINANCIAL YEAR CURRENT PRUDENT MIN ACHIEVED & Reserve		CASH TOLL Apr 2030		DISCOUNT TOLL Apr 2030		RESERVE POSITION Mar 2030
		B	F	B	F			B	F	B	F	
A	do nothing	£2.60	£2.60	£1.30	£1.30	NOT ACHIEVED		£2.70	£2.70	£1.35	£1.35	-£9.05m
B	£3 cash/ £1.50 tag	£3.00	£3.00	£1.50	£1.50	2027/28	£3.38m	£3.20	£3.20	£1.60	£1.60	£7.14m
C	£3 cash/£1.80 tag	£3.00	£3.00	£1.80	£1.80	2025/26	£4.85m	£3.20	£3.20	£1.92	£1.92	£14.39m
D	£3.20 cash/£1.60 tag	£3.20	£3.20	£1.60	£1.60	2025/26	£4.23m	£3.30	£3.30	£1.65	£1.65	£11.98m
E	£3.20 cash/£1.60 tag & ferry supplement	£3.20	£4.20	£1.60	£2.10	2025/26	£5.14m	£3.30	£4.30	£1.65	£2.15	£12.22m

Toll rates listed are for class 2 (Car and Van). RPI indexation assumed with April 2027 baseline index

APPENDIX 3 - Revision options – All Classes

Current and “no revision” option A

	Motorcycles	Cars/Vans	2 axle goods (+ 3.5 tonnes)	3 axle vehicles	4 axle vehicles
Bridge Cash		£2.60	£6.30	£10.40	£14.30
Bridge Tag		£1.30	£3.15	£5.20	£7.15
Ferry Cash	£0.50	£2.60	£6.30	£10.40	£14.30
Ferry Tag		£1.30	£3.15	£5.20	£7.15

Option B – Car class cash toll £3.00 at bridge and Ferry and 50% tag discount retained

	Motorcycles	Cars/Vans	2 axle goods (+ 3.5 tonnes)	3 axle vehicles	4 axle vehicles
Bridge Cash		£3.00	£7.30	£12.00	£16.50
Bridge Tag		£1.50	£3.65	£6.00	£8.25
Ferry Cash	£1.00	£3.00	£7.30	£12.00	£16.50
Ferry Tag		£1.50	£3.65	£6.00	£8.25

Option C – Car class cash toll £3.00 bridge and Ferry. Both locations 40% tag discount

	Motorcycles	Cars/Vans	2 axle goods (+ 3.5 tonnes)	3 axle vehicles	4 axle vehicles
Bridge Cash		£3.00	£7.30	£12.00	£16.50
Bridge Tag		£1.80	£4.40	£7.20	£9.90
Ferry Cash	£1.00	£3.00	£7.30	£12.00	£16.50
Ferry Tag		£1.80	£4.40	£7.20	£9.90

Notes: In all options trailers charged as per towing vehicle (ie toll doubled for towing vehicles)
 4-axle vehicles only by pre-arrangement at Torpoint/3 axle vehicles only permitted below 17.5T and if GVW above that weight, with lifted axle.
 No revision of abnormal load charges proposed in any option
 Tolls rounded up to nearest 10p in revision models

APPENDIX 3 cont - Revision options – All Classes

Option D – Car class cash toll £3.20 at bridge and Ferry and 50% tag discount retained

	Motorcycles	Cars/Vans	2 axle goods (+ 3.5 tonnes)	3 axle vehicles	4 axle vehicles
Bridge Cash		£3.20	£7.80	£12.80	£17.60
Bridge Tag		£1.60	£3.90	£6.40	£8.80
Ferry Cash	£1.00	£3.20	£7.80	£12.80	£17.60
Ferry Tag		£1.60	£3.90	£6.40	£8.80

Option E – Car class cash toll £3.00 at bridge and £4.00/+ 1/3rd at Ferry with 50% tag discount at both locations

	Motorcycles	Cars/Vans	2 axle goods (+ 3.5 tonnes)	3 axle vehicles	4 axle vehicles
Bridge Cash		£3.00	£7.30	£12.00	£16.50
Bridge Tag		£1.50	£3.65	£6.00	£8.25
Ferry Cash	£1.00	£4.00	£9.70	£16.00	£22.00
Ferry Tag		£2.00	£4.85	£8.00	£11.00

Notes: In all options trailers charged as per towing vehicle (ie toll doubled for towing vehicles)
 4-axle vehicles only by pre-arrangement at Torpoint/3 axle vehicles only permitted below 17.5T and if GVW above that weight, with lifted axle.
 No revision of abnormal load charges proposed in any option
 Tolls rounded up to nearest 10p in revision models

APPENDIX 4

FINANCING THE CROSSINGS 2023 – CONSULTATION REPORT



Financing the Crossings Consultation

October 2023

Prepared for: The Tamar Bridge & Torpoint Ferry
Joint Committee

By: Peter Slater
Senior Consultant

Proposal No: TBTF 011-014

Date: 25.11.23

Contents

- Behavioural data
- Views on the bridge and ferry price structure
- Future travel behaviour
- Concerns or suggestions on the charging structure or service
- Summary

Research objectives

- To obtain behavioral data regarding which methods, how often, and for what reasons respondents use the Tamar Bridge and / or the Torpoint Ferry.
- To understand how respondents currently pay to use either the Tamar Bridge and / or the Torpoint Ferry.
- To give an opportunity to provide feedback on the various options available to increase income - to continue to operate safely, maintain the crossings and improve the service to customers.
- To review the users' future travel patterns and determine how they might change and reasons for those changes.
- To record verbatim responses with regards any other concerns or suggestions regarding the charging or service in general of either the Tamar Bridge and / or the Torpoint Ferry services.

Research methodology (1)

- In total circa 31,000 users had the opportunity to respond, together with members of the general public.
- 3,173 returns were received from users (1,582 postal, 1,591 online). This equated to a response rate of 10%. There were a further 4,003 responses from the general public via the online survey available from the Tamar Crossings website and 3 surveys received directly at Tamar's offices.
- The total sample size of 7,179 allowed analysis at the 95% confidence level with a margin of error of only +/- .93%.
- The user survey was completed over a two day period on Saturday the 7th of October and Tuesday the 10th of October 2023.
- A four page A4 self-completion questionnaire and supporting information leaflet was administered in four ways to the users crossing on the bridge or ferry on those days:
 - By hand – from booth controllers and ferry staff to travellers and passengers using the ferry and bridge (circa 15,350 travellers)
 - By post to 900 TAG holders for whom postal addresses were held
 - By email to 14,842 TAG holders for whom email addresses were held
 - Online via a “public” survey - accessible from the www.tamarcrossings.org.uk web site.
- The consultation was open from the 7th of October up to an including the 31st of October 2023.

Research methodology (2)

Reporting

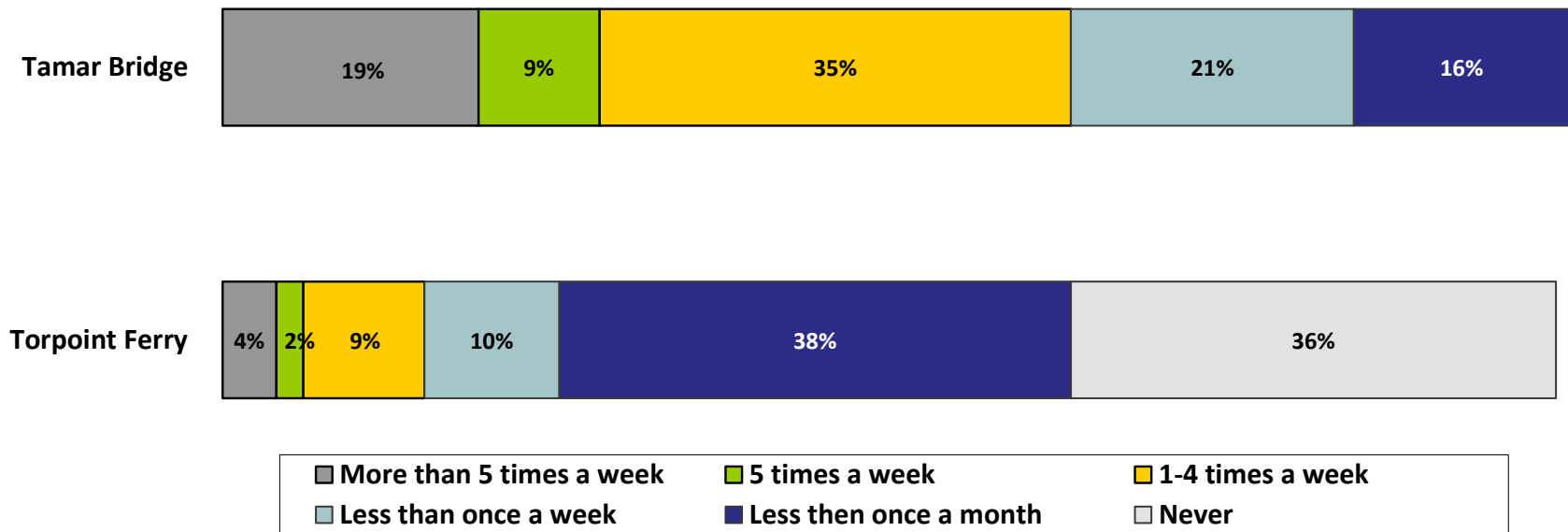
- This report summarises the results from the on-line and postal self-completion surveys which have been combined for analysis purposes.
- Sub analysis has been completed and where there is a significant difference between the total sample and Tag users this has been reported by exception. Where the commentary on the slides refer to all the respondents this relates to the total sample (including Tag users).
- Comparisons have also been made to the 2022 survey which used the same methodology.
- The data used in this report is rounded up or down to one decimal place. It is for this reason that, on occasions, charts or tables may add up to 99% or 101%.
- Where tables or graphs do not match exactly the text in the report, this occurs due to the way figures are rounded up or down when responses are combined.
- Where respondents are able to select more than one option (multi-coded questions) the frequency of selection is shown as a percentage of the total number of responses recorded.
- Where responses have recorded 0% (i.e.no data recorded or less than 0.4%) the 0% is often omitted from the charts and tables to aid clarity.



Behavioural data...

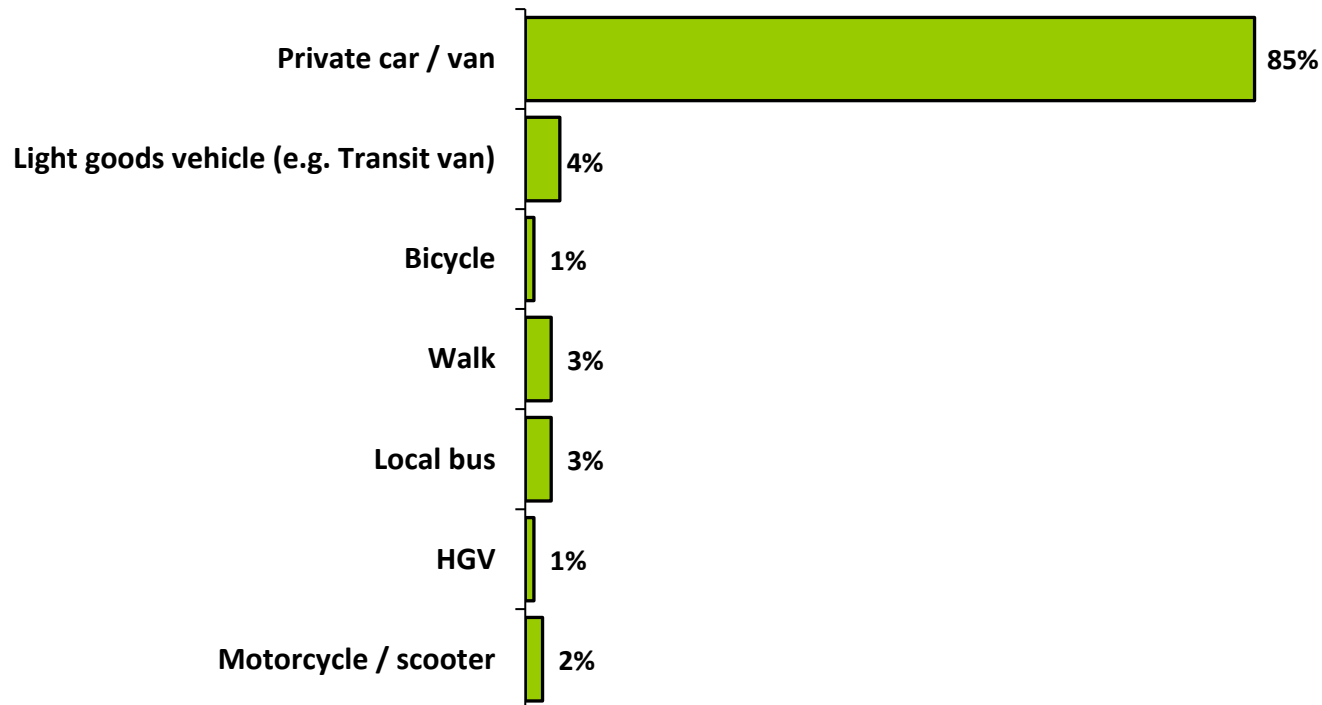
How often do you use the Bridge and / or Ferry?

- The respondents were more likely to use the Bridge more frequently than the Ferry.
- 38% of Tag users travel across the bridge - more than 5 times a week / 5 times a week, compared to 26% of the total sample.
- 74% of respondents indicated they either never used the Ferry or used it less than once a month.
- Both those using the Bridge more than 5 times a week / 5 times a week had declined by 3% compared to 2022, the remaining results were relatively unchanged from the 2022 survey.



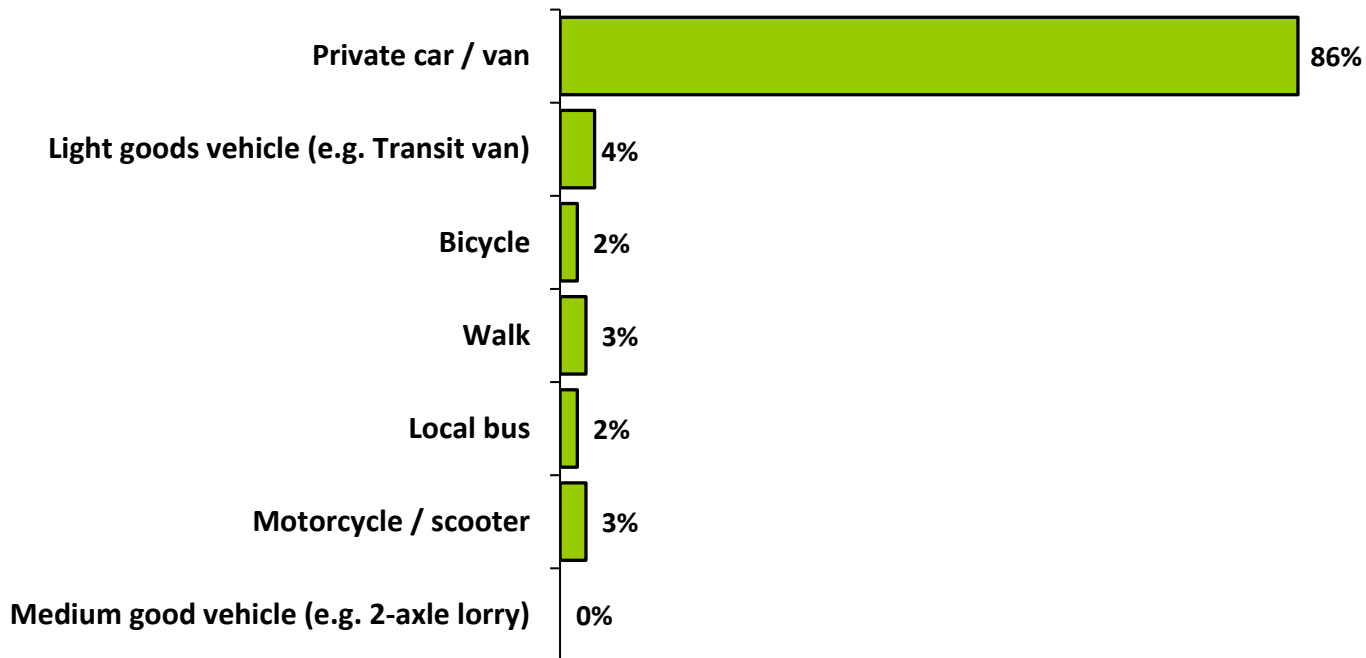
How do you usually travel across the Bridge?

- The majority of respondents (85%) travelled across the Bridge in a private car or van.
- Traveling by car / van had declined by 3%, while using the local bus increased by 2% compared to 2022. Overall there was little difference from the 2022 results



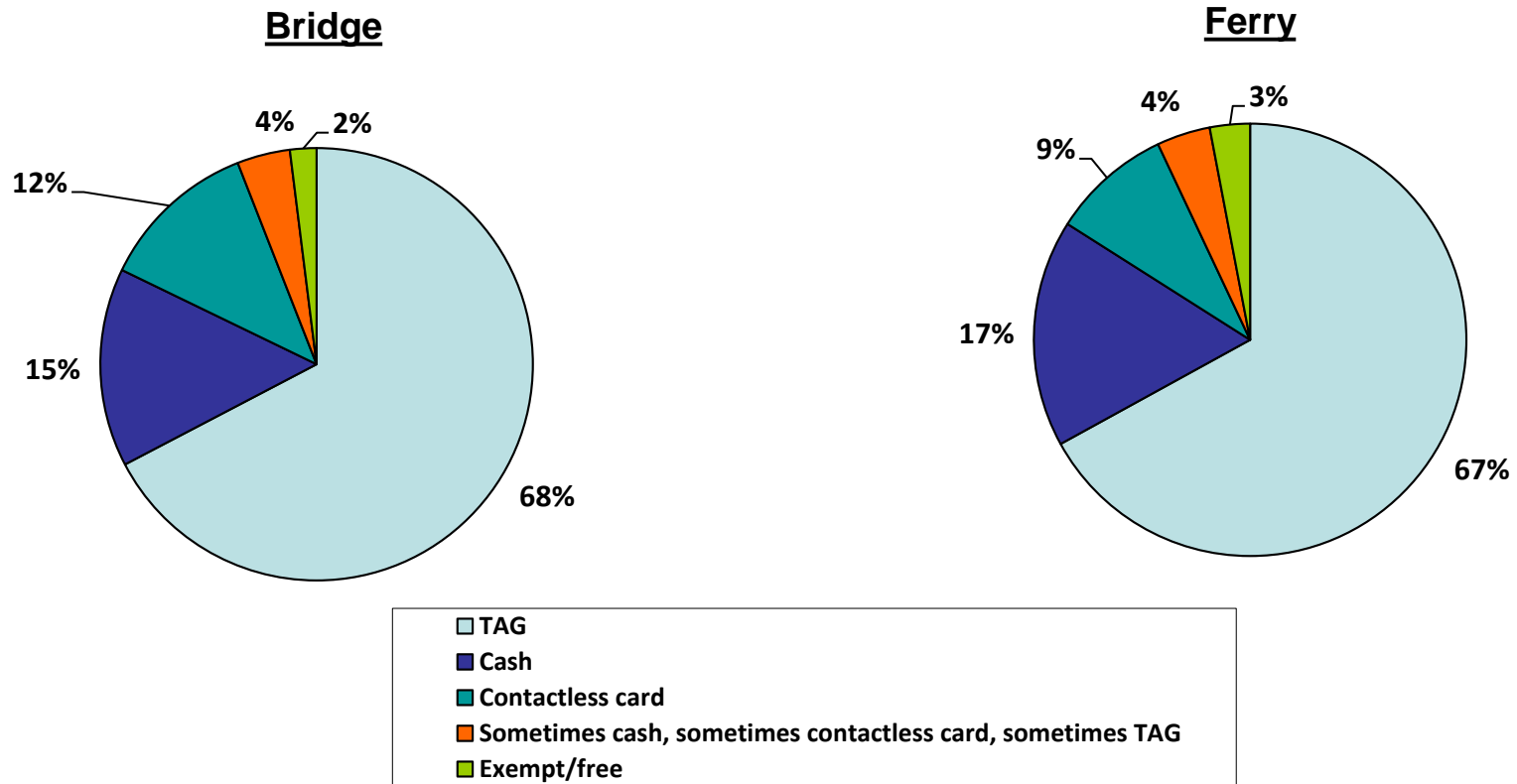
How do you usually travel on the Ferry?

- Again the majority (86%) of respondents used the Ferry in a private car or van.
- Compared to 2022 there was a decrease of 2% in those using a private car or van to cross and an increase of 2% in those using a motorcycle / scooter and 1% in those walking. The remaining results were similar to the 2022 survey results.



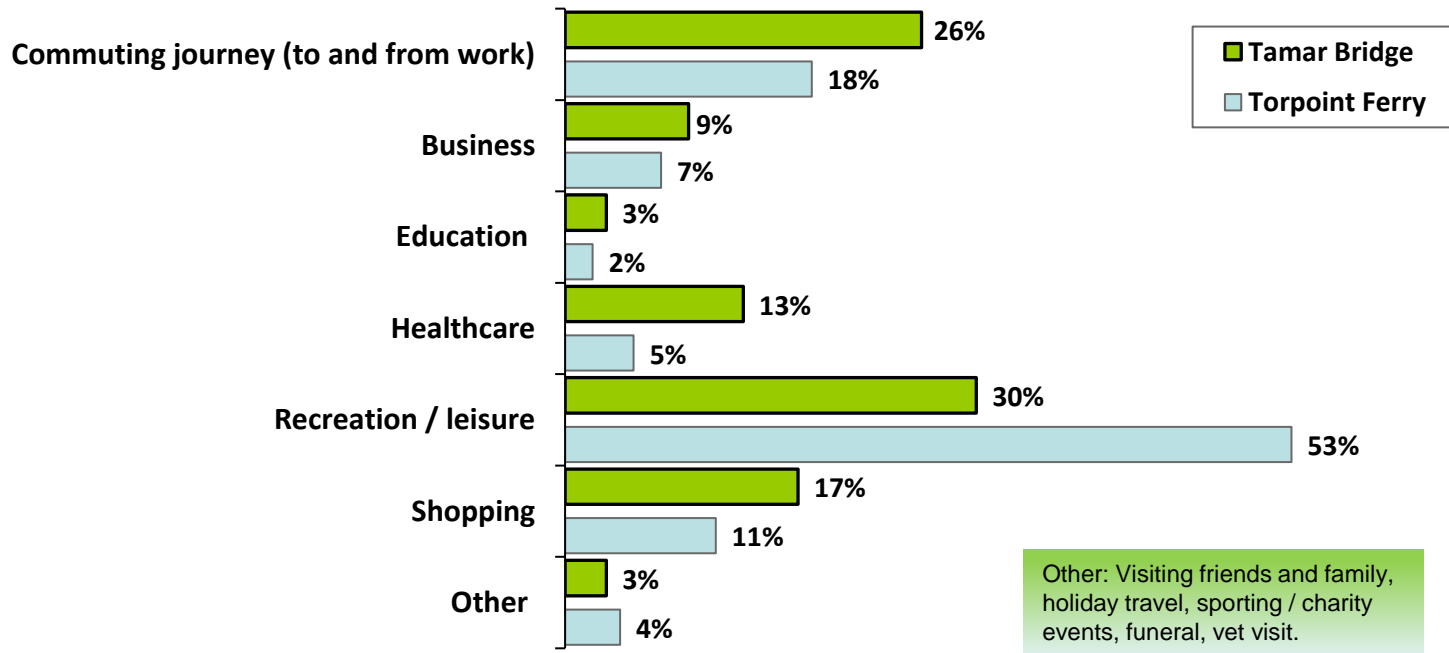
How do you currently pay to use the Bridge and Ferry?

- On both the Bridge and Ferry just over 2/3rds of the total sample (circa 67%) use the Tamar Tag.
- Of the sample of Tag users, 98% use it to pay for the the Bridge and 95% for the Ferry crossing.
- Since 2022 there has been a 7% decrease in the proportion of respondents using the TamarTag (at both crossings) while the use of contactless has increased (+6% Bridge / +9% Ferry).



Thinking about your most frequent journey using the Bridge and Ferry - What is your main reason for crossing?

- Just over a quarter of the total sample used the Bridge for commuting, while just under a fifth used the ferry. This had decreased (-6%) for the bridge and slightly (-1%) for the ferry compared to 2022. This figure was higher for Tag users with 38% using the Bridge and 26% using the ferry to commute to work.
- Business use and access to education has remained similar to 2022 for the bridge and the ferry, while journeys to access healthcare have increased (+6%) on the bridge and (+1%) on the ferry.
- Compared to 2022, the ferry saw an increase (+3%) in its usage for recreation and leisure, while use of the bridge for this remained the same at 30%. Bridge & ferry usage for shopping both declined by 3%.

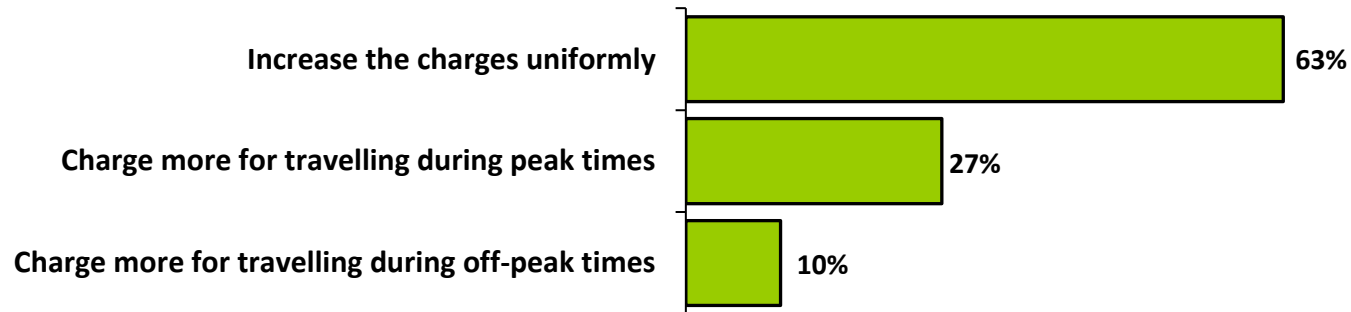




The Price Structure...

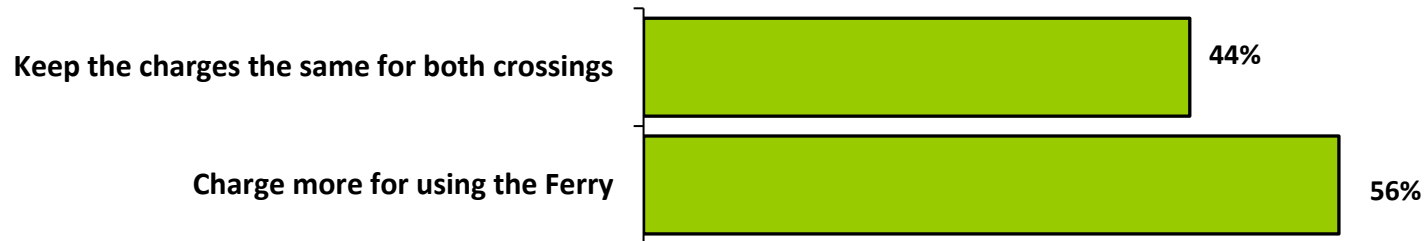
Should we charge differently by the time of day or day of the week?

- Just under two thirds of the total sample indicated that charges should be “increased uniformly” this rose to 67% among Tag users - suggesting that respondents did not want variable pricing - even if it could be used to help manage traffic flows.
- The results were very similar to the 2022 survey.
- Just over ¼ indicated that users should be charged more for using the crossings during peak times.



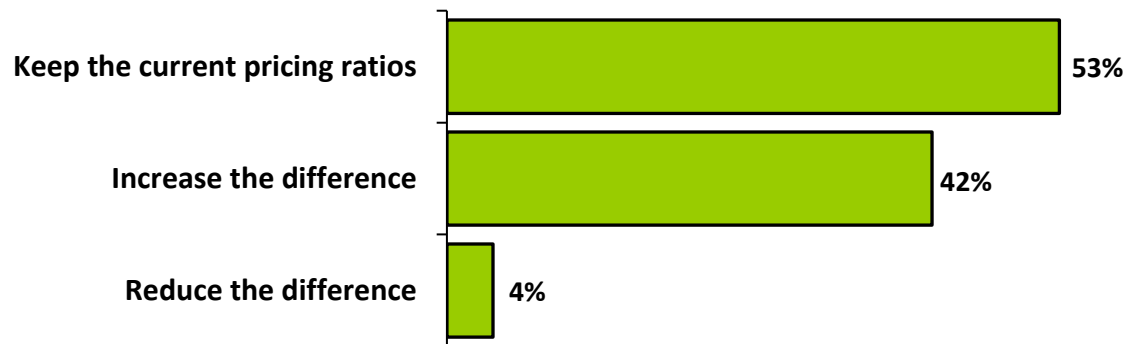
Should we have different prices at the Bridge and Ferry?

- The support for charging more for the ferry crossing has increased from 42% in 2020 to 50% in 2022, and to 56% of the total sample in this survey.
- 60% of Tag users wanted to charge more for using the ferry.
- 44% of users indicated that they wanted to keep the charges for both crossings the same - down by 6% from the 2022 survey.



Should we change the pricing ratio between bigger vehicles and cars?

- Just over half (53%) of the total sample indicated that the current pricing ratio should be maintained, this has increased by 9%, from 44% in 2022.
- There was almost a 50/50 split by Tag users – with 48% indicating that the current pricing ratio should be kept, and 50% indicating the difference should be increased.
- Around two fifths want the pricing ratio between bigger vehicles and cars to be increased but this has decreased by 14% compared to 56% in 2022.
- The new option to reduce the difference was only indicated by 4% of respondents.



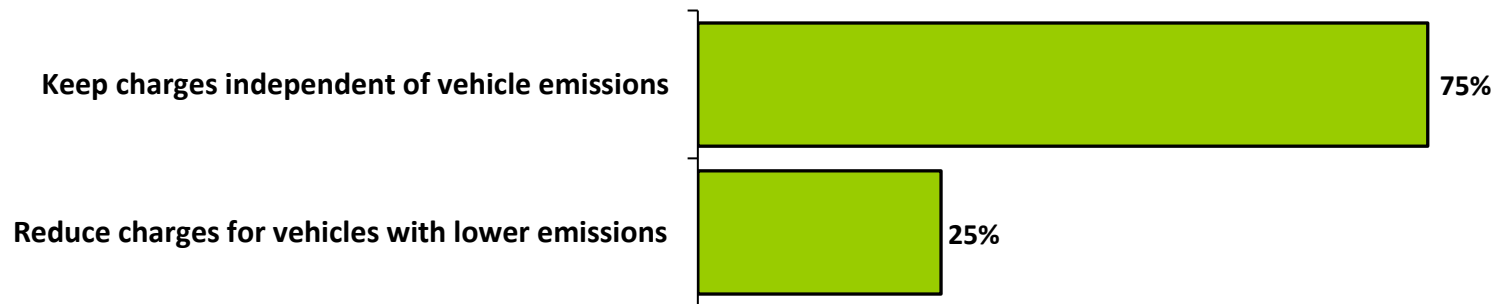
Should we change the discount we give for pre-payment using a Tamar Tag?

- In 2020, the majority of users (82%) indicated they wanted to keep the existing 50% discount for pre-payment using the Tamar Tag. This decreased to 47% in 2022 and this is now 42% for the total sample.
- 44% would like to increase the percentage discount for Tamar Tag account holders (total sample and Tag users), up 4% from 2022.
- 47% of Tag users would like to keep the existing 50% discount.
- Those that want the percentage discount reduced has remained unchanged at 14% for the total sample but was 10% for Tag users.



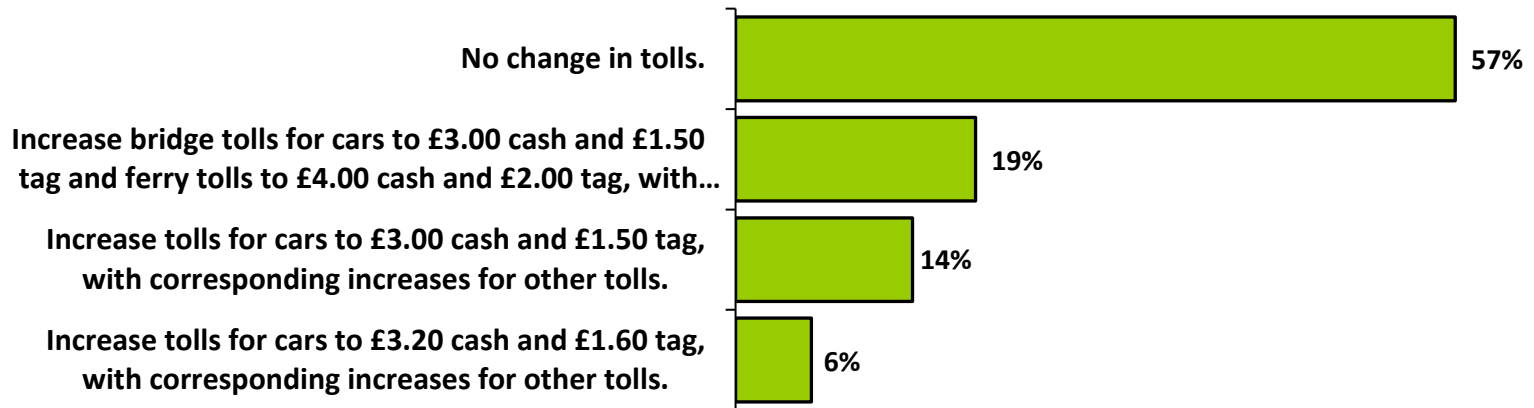
Vehicle emissions affect the environment – Should we help reduce our impact on the environment by encouraging low emission vehicles?

- 75% of all respondents indicated that crossing charges should be independent of vehicle emissions. This is lower support for the variation than in 2022 (72%)
- A quarter of respondents agreed that charges should be reduced for vehicles with lower emissions, 3% less than 2022.



Which do you think is the most appropriate to resolve the financial shortfall?

- Over half (57%) of all respondents indicated that no change in tolls should take place. This position was also supported by comments made in the verbatims recorded later in this survey.
- This percentage dropped to 42% among Tag users.
- However 43% of the total sample indicated that they would consider a different toll structure to help resolve the financial shortfall. This rose to 58% of Tag users.
- Around a fifth felt that increasing the bridge tolls (tag and cash) and increasing ferry crossing tolls (tag and cash) by a higher amount would be the most appropriate choice. This rose to 28% of Tag users
- This was also reflected in the 56% of respondents who also indicated that more should be charged for the ferry crossing to reflect its higher operating cost.



[Remaining 4% selected: Increase tolls for car to £3.00 cash and £1.80 tag with corresponding increases for other tolls]



Future travel behaviour...

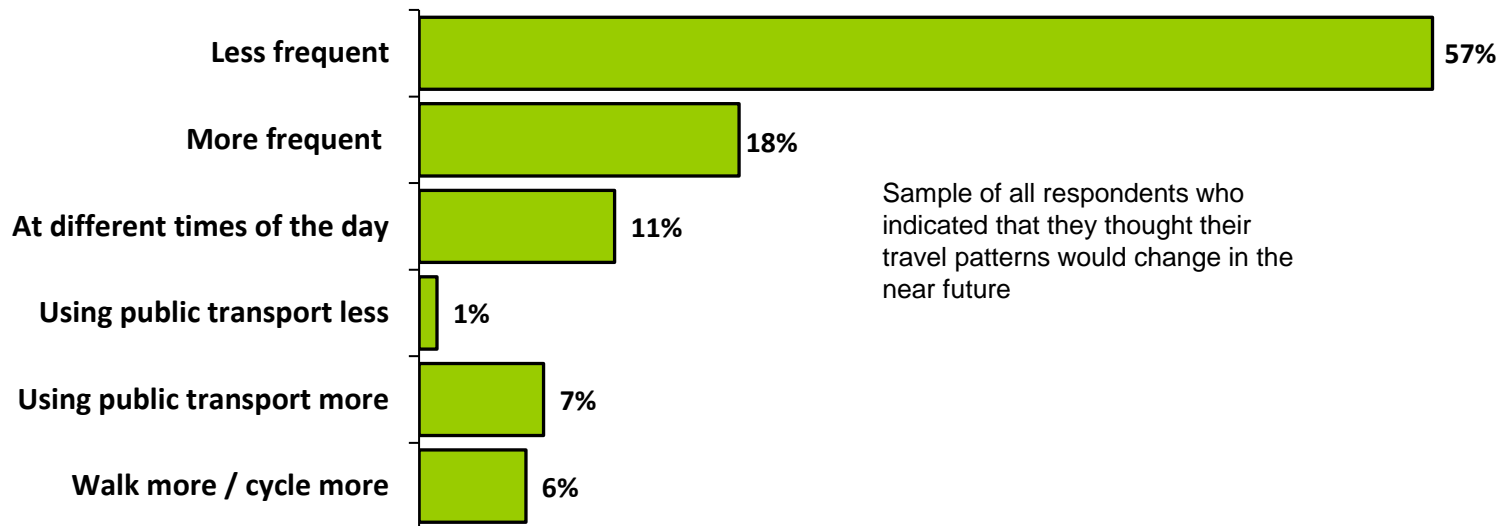
Do you think your travel patterns will change in the near future?

- The majority (80%) of all respondents indicated that they did not think their travel patterns would change in the near future. This rose to 85% among Tag users.



How do you think your use of the crossings will change?

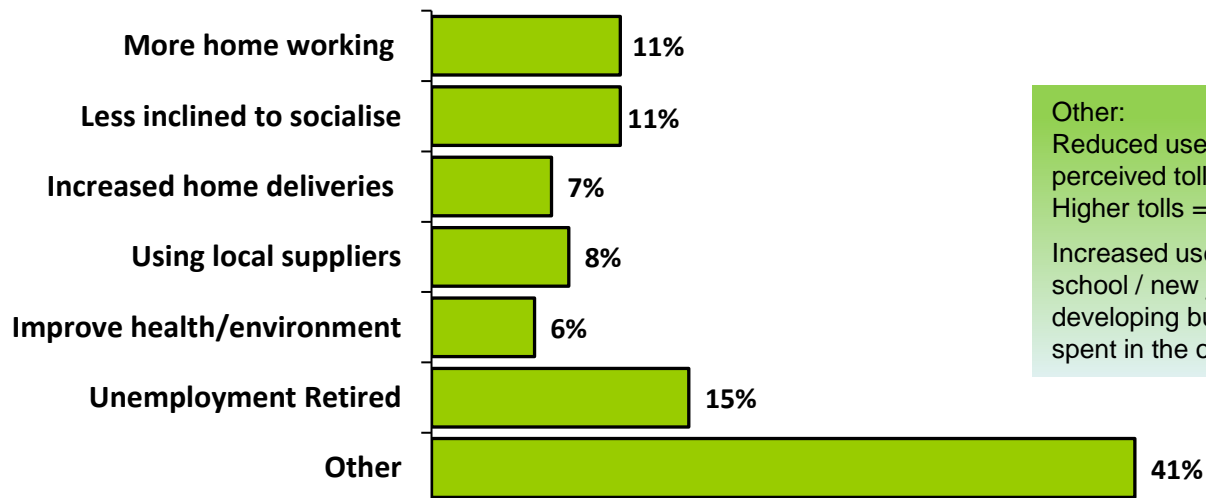
- Of the 20% of all respondents who indicated that they thought their travel patterns would change, well over half (57%) indicated this would be using the crossings less frequently.
- Among 15% of Tag users who also indicated they would travel differently, 71% indicated they would travel less frequently. A similar number of both the total sample and Tag users indicated they would travel more frequently.
- 11% said they would travel at a different time of the day (up from 7%). The number of those using public transport would increase on balance by 6% and 9% for Tag users.
- 6% of the total sample and 10% of Tag users indicated that they would walk and cycle more (up from 4% from 2022)



Sample size varies

What do you think would cause this change in behaviour?

- “Other reasons” accounted for a significant number of responses and the majority of these were linked to a reduction of usage because of the perceived increases in toll costs in the future.
- There was also a post Covid reduction in the number of all respondents (11%) who indicated that more home working was likely to cause a change in their travel behaviour (down from 38% in 2022) For Tag users this was 14%.
- Those citing unemployment or being retired increased from 4% to 15% (closer to 2020 -11%)
- Being less inclined to socialise was also a diminishing reason at 11% compared to 20% in 2022. Other areas were very similar to the 2022 survey.



Other:
Reduced use of crossings - result of perceived toll increases in the future. Higher tolls = less usage.
Increased use of crossings- change in school / new job/ caring for family/ developing business / more time now spent in the office in Plymouth.



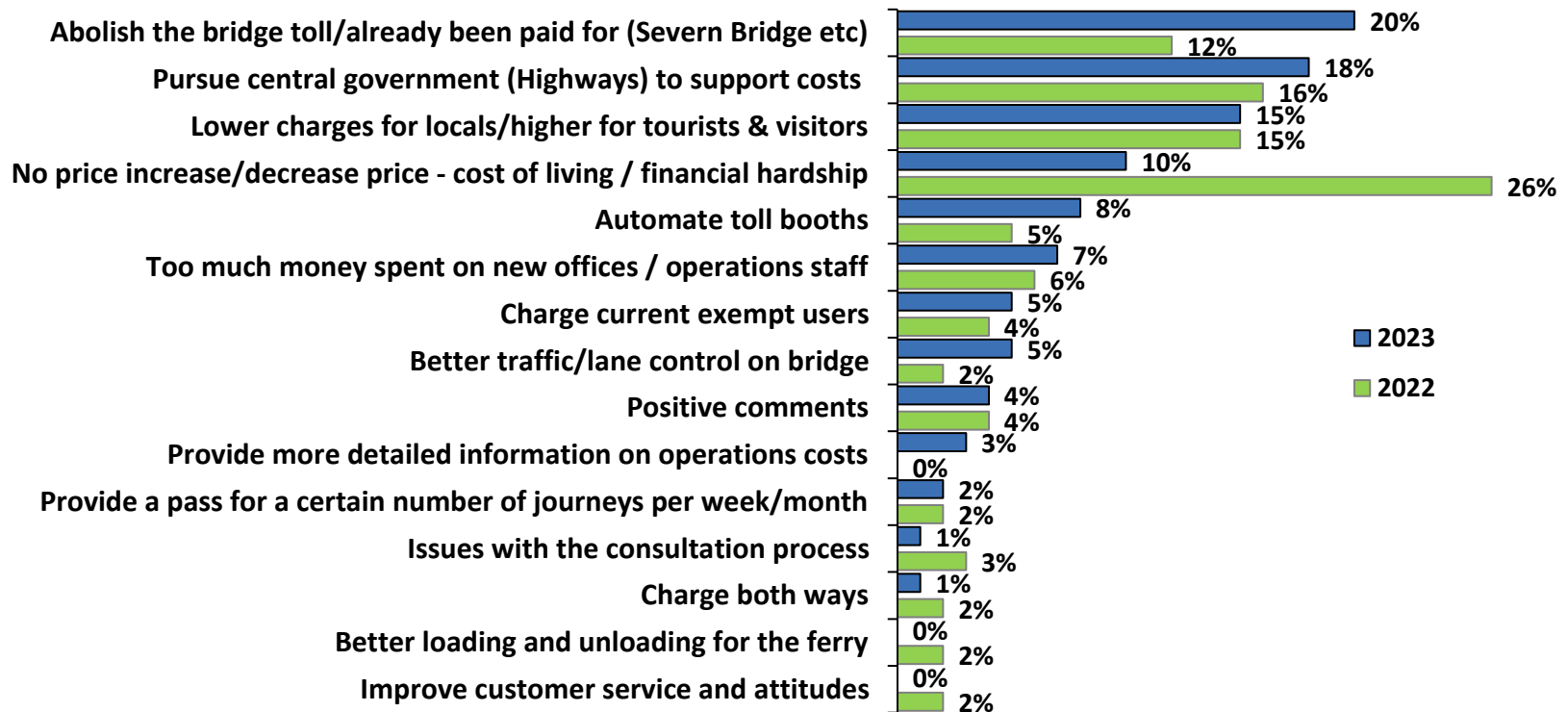
**Concerns or suggestions on the
charging structure or the
service in general...**

Background on comments

- In total circa 31,000 users had the opportunity to respond, together with members of the general public.
- 3,173 returns were received from users (1,582 postal, 1,591 online). There were a further 4,006 responses from the general public, giving a total sample size of 7,179.
- There were a total of 3,742 responses with comments. This equated to 52% of the total sample making a comment.
- Each respondent often made a number of points in their response. Many of the comments made did not relate to the question asked and focused on the perceived social injustice and hardship they felt an increase in the toll would deliver.
- We have categorised the responses under appropriate headings to provide more clarity in the dataset and help summarise the overall attitudes towards the charging structure and service in general.
- We created a total of 15 categories and have reported the percentage of similar responses as a frequency of the total number of responses.
- These categories are also supported with a number of verbatim comments in the following pages, which illustrate the overall attitudes of users to each category title.

Main concerns or suggestions on the charging structure or the service in general?

- The top four topic categories which attracted the most comments were unchanged from the 2022 survey. These were - abolishing the toll altogether, pursuing central government to support the costs, lowering the charges for locals and having no price increase / decrease in the price of the toll.
- However the sentiment had shifted from comments on no price increase / decrease price, towards abolishing the toll altogether (+8%) and pursuing central government to support the costs (+2%)
- Comments around using automated booths (+3%) also saw an increase.



Abolish the Bridge toll – already paid for...

Abolish the Bridge toll – “Its already been paid for” (Severn Bridge etc) (20%)

- *“Tolls on the bridge should now be scrapped - Abolish tolls on the bridge with immediate effect and hand over to highways”*
- *“The bridge should be free. How can bridges such as the Severn be free yet we are charged an astronomical amount for using the Tamar bridge”*
- *We should not have to continue to pay for the crossing, especially residents of Saltash who use the bridge for commuting. We should not have repeated increases in tolls. There have already been increases recently so why again now? Other bridges are maintained free of charge for the users, so why are we paying for this one?”*
- *“Tamar bridge fees should not increase any more, they have only just gone up. This is a major part of the national highways system and should be maintained with money from government. More effort should be put into bringing about this change which is long overdue”*
- *“Get rid of tolls completely. They are too expensive and there collection cause long queues and hold ups”*

Pursue the government for funding...

Pursue central government to support costs (18%)

- *“Please put pressure on MPs to press for government funding of the bridge. It is one of only 2 major routes into Cornwall and it would seem to be more equitable if the govt funded the A38 as it funds the A30”*
- *“Continue to strongly lobby Government, especially with an election year ahead. It is unacceptable that other important crossings across the UK are free but that users have to pay for the Tamar Crossings”*
- *“There have been too many increases in tolls. The crossings should be taken on by the government”*
- *“The bridge needs to be handed back to the Highways and booths removed”*
- *“Both the bridge and ferry should be paid for by the government. It is ridiculous that in other parts of the country, tolls are being cancelled and here they are increasing. it is indicative of how no one in government cares about the south west. There is no "levelling up" or "powerhouse" here and I fail to see why we subsidise other transport links around the country when we have a pitiful service here”*

Lower charges for locals...

Lower charges for locals – higher for tourists / visitors (15%)

- *“Tourists could be charged more. Locals are struggling especially with work and commuting - as well as wanting to enjoy both sides of the bridge”*
- *“You should consider making it cheaper to cross for locals as we have to use it every day - maybe charge visitors to the area more”*
- *“Tamar Bridge should be free for residents of Saltash who rely on daily travel to work”*
- *“There should be free use for local users - I’m only going to work and it’s costing me a lot of money. I shouldn’t be penalised as a resident of Saltash”*
- *It is ridiculous to still be charged such high rates! The tolls should be reduced not increased. Residents of Saltash should also get exemptions for having to put up with the constant traffic and disruption due to the hideous queues”*
- *“Local residents that work in the public sector like doctors, nurses, police, public servants etc. should not have to pay to cross the bridge to perform work duties”*

No price increase...

No price increase / decrease price - Cost of living / financial hardship (10%)

- *“Many people cannot afford the constant rising cost of tolls and some people cannot walk or use the bus due to disabilities”*
- *“It’s getting too expensive to use. As a single mum it’s frustrating having to pay out extra every month just to get to work”*
- *“No more increases should be made to cross the bridge. Should be made free by now”*
- *“Maybe consider locals have lower prices in a geographical area within like 10miles of bridge and everything after that charge more. So tag users that live closer have to pay less in general”*
- *“It’s far too expensive already!!! Locals should not pay!”*
- *“I think people living in Saltash or within a certain area should use the bridge for a significantly discounted price”*
- *“Tamar Tag prices should remain the same for locals”*
- *“Should be free for local residents i.e. in PL12 area as locals need to use the bridge for work and hospital etc.”*

Charge others / Charge both ways...

Charge exempt users (4%)

- *“Its about time you charged motorbikes and scooters”*
- *“Start charging pushbikes & pedestrians on ferry who currently receive a service for free”*
- *“Foot Passengers could be charged for using the ferry”*
- *“Remove the exemption for blue badge holders or offer a concessionary rate for them”*

Charge both ways (1%)

- *“Charging in both directions would help?”*
- *“If the ferry is more expensive why not toll both directions at the same price?”*

Operational comments on the Bridge...

Automate the toll booths (8%)

- *“The Bridge needs to be more (effectively) automated which would massively reduce costs (staffing)”*
- *“What about an automated toll booth system. All booths could be open 24 hrs a day... - similar to Europe, with no staffing issues.*
- *“The use of ANPR technology should be adopted as a high priority to ease the almost continuous congestion to the toll booths”*
- *“If a tag doesn't work in a tag only lane, it must be the slowest walk across the booths, there could ever be. The man is not normally very helpful and certainly doesn't rush – leading to more queues and longer hold ups”*

Better traffic / lane control on the Bridge (5%)

- *“The Tag Only lane on the northern end is often blocked causing tail backs on the northern lane from Saltash”*
- *“If you had a good car management system, we wouldn't need to queue for 20mins to get over the bridge”*
- *“Seems to be getting worse, with constant queueing.. regardless of time of day. Use camera's to register number plates, and send out payments, and get rid of kiosks”*

General comments on the operation and consultation... (1)

Too much money spent on new offices / operations (7%)

- *“Why was so much spent on a totally unnecessary over the top building on the St Budeaux side of the bridge as well as on an electronic tag/toll system that constantly fails to work and therefore still incurs staffing costs”*
- *“All systems should be automated there is no need in this day and age to have toll booths and staff in them. The cost savings you need are right there just modernise it's 2023”*

Issues with the consultation process (1%)

- *“These questions are extremely biased forcing answers in favour of toll increases and are not set out in a fair way”*
- *“The above options favour increase charges and are therefore bias in that regard, there is no option to reduce the tolls”*

General comments on the operation and consultation... (2)

Provide a pass for a certain number of journeys (2%)

- *“Maybe buy a ticket say for 10 crossings for those that don’t use it often, and only pay for 8”*
- *“Charges should be a fair price with a choice of single or return ticket with drivers also being charged to enter Cornwall. This could be achieved by advanced on line payment, like other tolls in the rest of the country”*
- *“Wouldn't a day pass (allowing multiple journeys in one day) be a good way to let locals pass freely over the crossings?”*

Positive comments...

Positive comments (4%)

- *“You are doing a good job!”*
- *“Thank you for providing information on the current pressures as well as the opportunity to feedback on this essential service”*
- *“The bridge is well maintained and provides a positive service. I travel a lot overseas (France, a lot of tolls), people shouldn’t be afraid to pay for the service rather than feel entitled to it. The tag discounting system protects the locals who are most likely to be impacted, infrequent cash users then tourists etc. can afford the odd extra - maybe make it £3.50 / £1.50 instead? I don’t see a reason locals can’t all get tags. Just keep doing what you’re doing, you all do an amazing job in all weathers.”*
- *“On a positive note thank you to the workers who risk their lives making sure that the bridge is safe and to the ladies in customer service who take payment over the phone. Unfailingly polite and helpful”*
- *“Think bridge is managed well by the officers and staff. Please give my thanks to them”*



Summary

Summary 1

Sample size and research methodology

- A statistically robust sample was obtained using a variety of distribution techniques to achieve a representative sample of crossing users.
- The total sample size of 7,179 allowed analysis at the 95% confidence level with a margin of error of only +/- .93%. The survey was completed using a self-completion questionnaire (online and postal).

Travel frequency, mode and main reason for crossing

- The research indicates considerably more frequent usage of the Tamar Bridge – by private car or van, mostly driven by the difference between ‘most frequent’ journey type – more Bridge users claiming to commute, while the Ferry users claimed higher overall likelihood for recreational and leisure travel.
- Around 86% usually travel across the Bridge or on the Ferry by private car or van.
- 38% of Tag users travel across the bridge - more than 5 times a week / 5 times a week, compared to 26% of the total sample.
- Of the ‘frequent’ users of bridge (More than 5 times a week / 5 times a week) 50% use it for commuting journeys (to and from work).
- Overall over a quarter (26%) used the Bridge for commuting, while just under a fifth used the ferry. This had decreased (-6%) for the bridge and slightly (-1%) for the ferry compared to 2022. This figure was higher for Tag users with 38% using the Bridge and 26% using the ferry to commute to work.
- 74% of respondents indicated they either never used the ferry or used it less than once a month.
- Business use and access to education have remained similar to 2022 for the bridge and the ferry, while journeys to access healthcare have increased (+6%) on the bridge and (+1%) on the ferry.

Summary 2

Payment

- On both the Bridge and Ferry just over 2/3rds of the total sample use the Tamar Tag to pay for usage.
- Of the sample of Tag users, 98% use it to pay for the Bridge and 95% for the Ferry crossing.
- Since 2022 there has been a 7% decrease in the proportion of respondents using the Tamar Tag (at both crossings) while the use of contactless has increased (+6% Bridge / +9% Ferry).

Price structure

- Just under two thirds of the total sample indicated that charges should be “increased uniformly” this rose to 67% among Tag users - suggesting that respondents did not want variable pricing - even if it could be used to help manage traffic flows. The results were very similar to the 2022 survey.
- Just over ¼ indicated that users should be charged more for using the crossings during peak times.
- There was a continued shift in sentiment this year regarding charging more for the ferry. Support for charging more has gradually increased, from 42% in 2020 to 50% in 2022, to 56% of the total sample in this survey. 60% of Tag users wanted to charge more for using the ferry.
- 44% of respondents indicated that they wanted to keep the charges for both crossings the same - down by 6% from the 2022 survey.
- Just over half (53%) of the total sample indicated that the current pricing ratio should be maintained, this has increased by 9%, from 44% in 2022.

Summary 3

- There was almost a 50/50 split by Tag users – with 48% indicating that the current pricing ratio should be kept, and 50% indicating the difference should be increased.
- Around two fifths (42%) of the total sample want the pricing ratio between bigger vehicles and cars to be increased but this decreased by 14% compared to 56% in 2022.
- In 2020, the majority of respondents (82%) indicated they wanted to keep the existing 50% discount for pre-payment using the Tamar Tag. This decreased to 47% in 2022 and is now 42%.
- 44% would like to increase the percentage discount for Tamar Tag account holders (total sample and Tag users), up 4% from 2022.
- 47% of Tag users would like to keep the existing 50% discount.
- Those that want the percentage discount reduced has remained unchanged at 14% for the total sample but was 10% for Tag users.
- 75% of all respondents indicated that crossing charges should be independent of vehicle emissions. This is less support for the variation than in 2022 (72%)

Most appropriate action to resolve the financial shortfall

- Over half (57%) of the respondents indicated that no change in tolls should take place. This position was also supported by some of the verbatim comments made.
- This percentage dropped to 42% among Tag users.
- However 43% indicated that they would consider a different toll structure to help resolve the financial shortfall. This rose to 58% of Tag users.

Summary 4

- Around a fifth felt that increasing the bridge tolls (tag and cash) and increasing ferry crossing tolls (tag and cash) by a higher amount would be the most appropriate choice. This rose to 28% of Tag users
- This was also reflected in the 56% of respondents who also indicated that more should be charged for the ferry crossing to reflect its higher operating cost.

Future travel and reasons for change

- The majority (80%) of all respondents indicated that they did not think their travel patterns would change in the near future. This rose to 85% among Tag users.
- Of the 20% of respondents who indicated that they thought their travel patterns would change, well over half indicated this would be using the crossings less frequently.
- Among 15% of Tag users who also indicated they would travel differently, 71% indicated they would travel less frequently. A similar number (18%) of both the total sample and Tag users indicated they would travel more frequently.
- 11% said they would travel at a different time of the day (up from 7%). The number of those using public transport would increase on balance by 6% and 9% for Tag users.
- 6% of the total sample and 10% of Tag users indicated that they would walk and cycle more (up from 4% from 2022)
- When looking at this change in travel behaviour “other reasons” accounted for a significant number of responses (41%) and the majority of these were linked to a reduction of usage because of the perceived increases in toll costs in the future.

Summary 5

- The cost of living crisis and social hardship were repeatedly mentioned in the verbatims indicating that any cost increase would have a knock on effect and reduce future usage.
- There was also a post Covid reduction in the number of respondents who indicated that more home working (11%) was likely to cause a change in their travel behaviour (down from 38% in 2022) For Tag users this was 14%.
- Those citing unemployment or being retired increased from 4% to 15% (closer to 2020 -11%)
- Being less inclined to socialise was also a diminishing reason at 11% compared to 20% in 2022. Other areas were very similar to the 2022 survey.
- Those indicating that they would use the crossings more frequently (18%) included the following reasons – a change in school / new job/ caring for family/ developing business / more time now spent in the office in Plymouth.

Summary 6

Concerns or suggestions on the charging structure or the service in general

- There were a total of 3,742 responses with comments. This equated to 52% of the total sample making a comment.
- Each respondent often made a number of points in their response. Many of the comments made did not relate to the question asked and focused on the perceived social injustice and hardship they felt an increase in the toll would deliver.
- The responses were categorised (15 sub groups) under appropriate headings to provide more clarity in the dataset and help summarise the overall attitudes towards the charging structure and service in general.
- The top four topic categories which attracted the most comments were unchanged from the 2022 survey. These were - abolishing the toll altogether, pursuing central government to support the costs, lowering the charges for locals and having no price increase / decrease in the price of the toll.
- However the overall sentiment had shifted from comments on no price increase / decrease price, towards abolishing the toll altogether (+8%) and pursuing central government to support the costs (+2%)
- Comments around using automated booths (+3%) also saw an increase, largely based on the frustration with queues and associated traffic congestion caused by the toll booth operation.

Summary 7

Concerns or suggestions on the charging structure or the service in general

The categories are shown below in descending order of frequency.

- Abolish the bridge toll/already been paid for (Severn Bridge etc.)
- Pursue central government (Highways) to support costs
- Lower charges for locals/higher for tourists & visitors
- No price increase/decrease price
- Automate toll booths
- Too much money spent on new offices / operations staff
- Charge current exempt users
- Better traffic/lane control on bridge
- Positive comments
- Provide more detailed information on operations costs
- Provide a pass for a certain number of journeys per week/month
- Issues with the consultation process
- Charge both ways
- Better loading and unloading for the ferry
- Improve customer service and attitudes



power
marketing
a different perspective

Further information regarding this survey – or next steps ?

If you'd like any further information regarding this survey or are considering further supporting qualitative or quantitative research we would be happy to discuss this with you.

Key contact regarding this report and further work :



Peter Slater
Lead Research Consultant

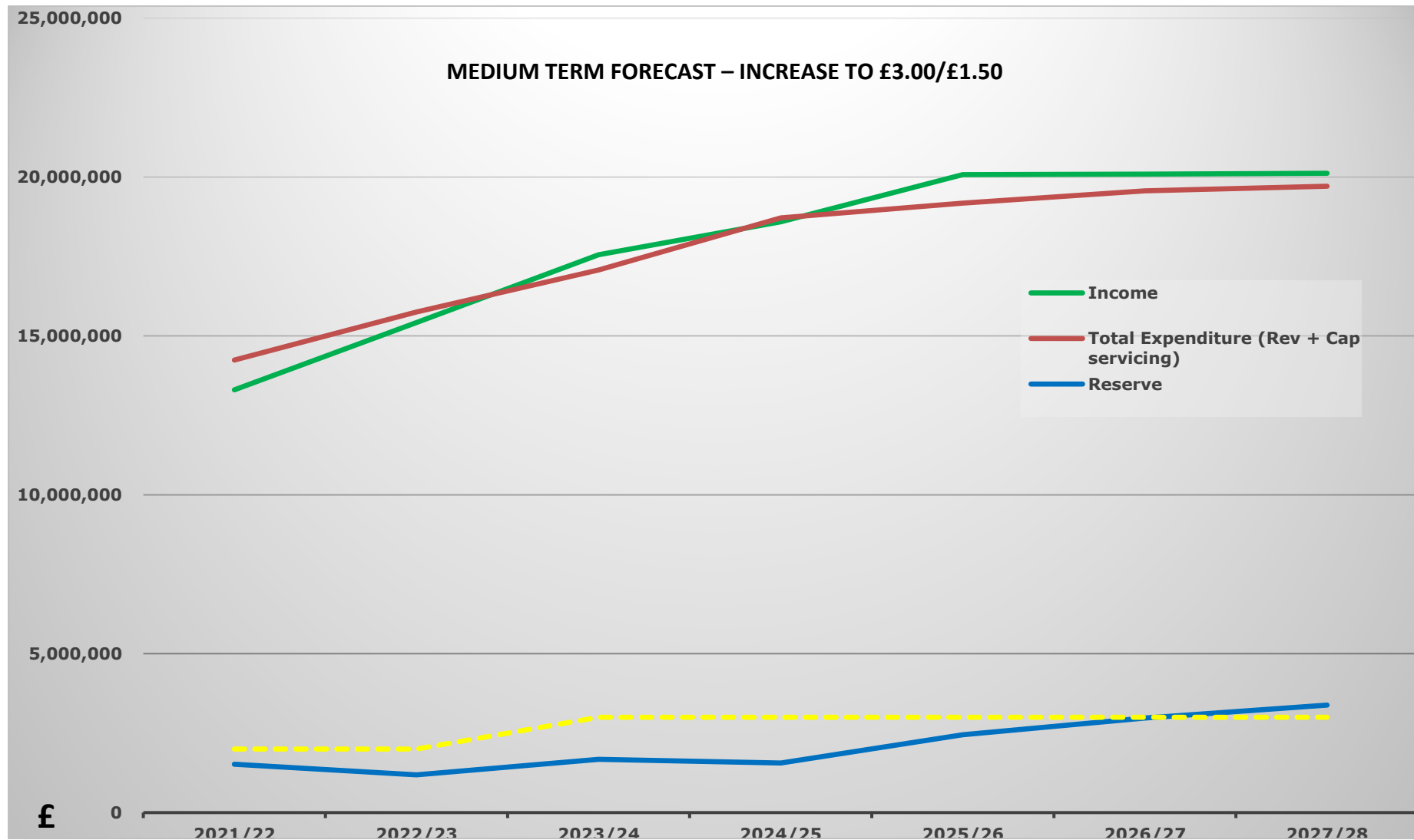
peter@powermarketing.co.uk

Tel: 01392 436211

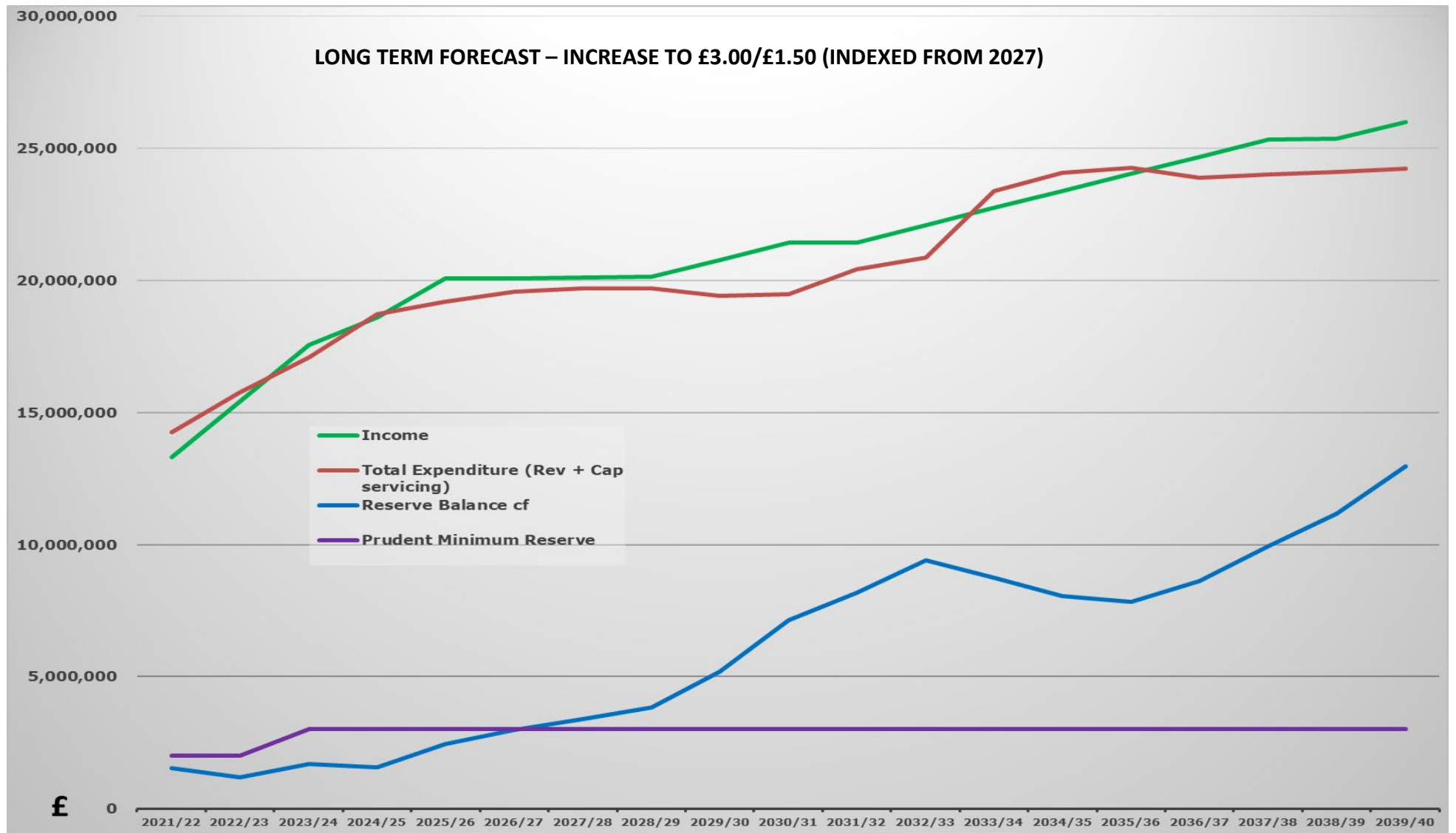
Mobile : 07885 752017

APPENDIX 5 – WRITTEN RESPONSES FROM KEY STAKEHOLDERS

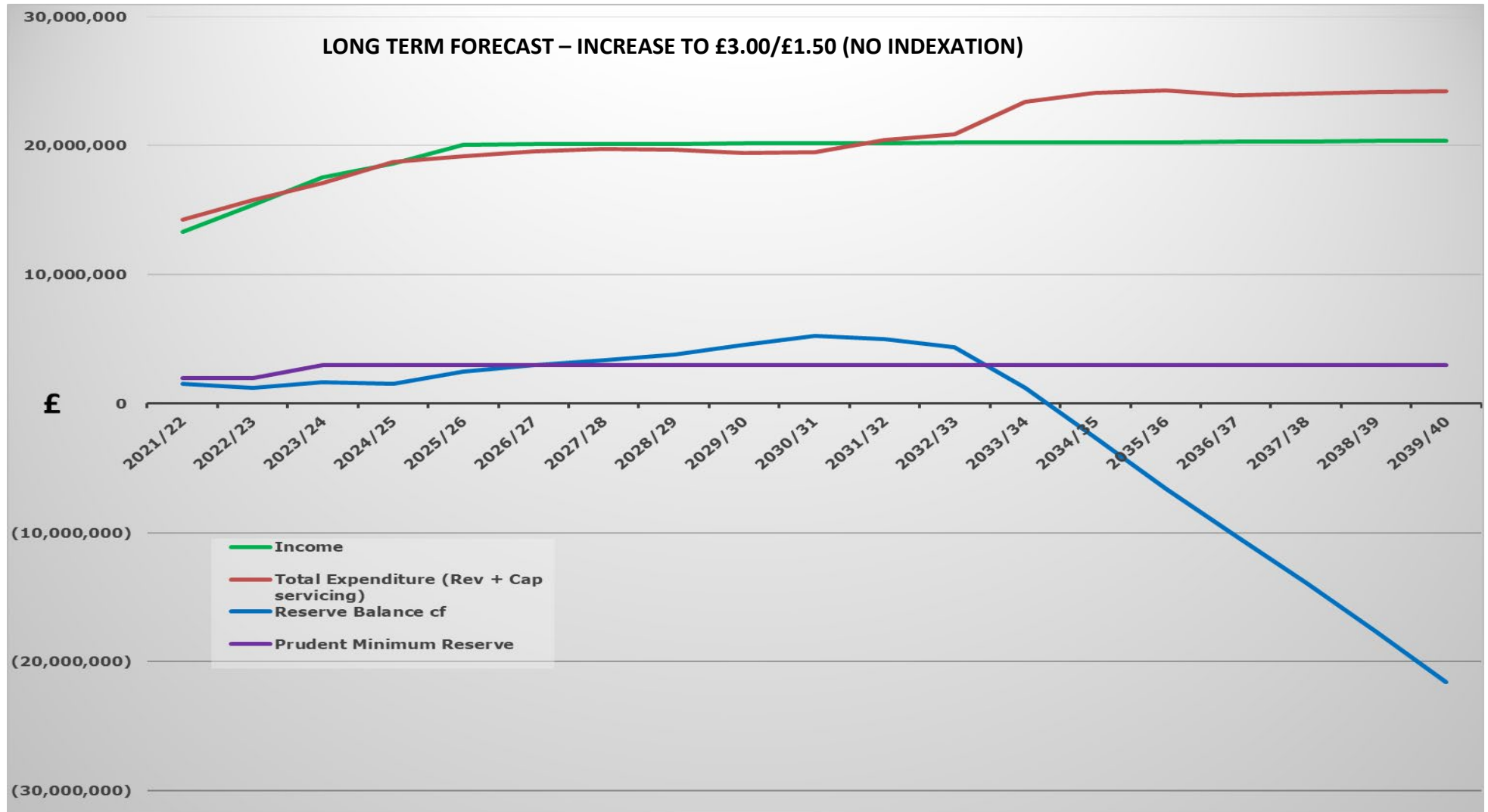
APPENDIX 6a – OPTION B



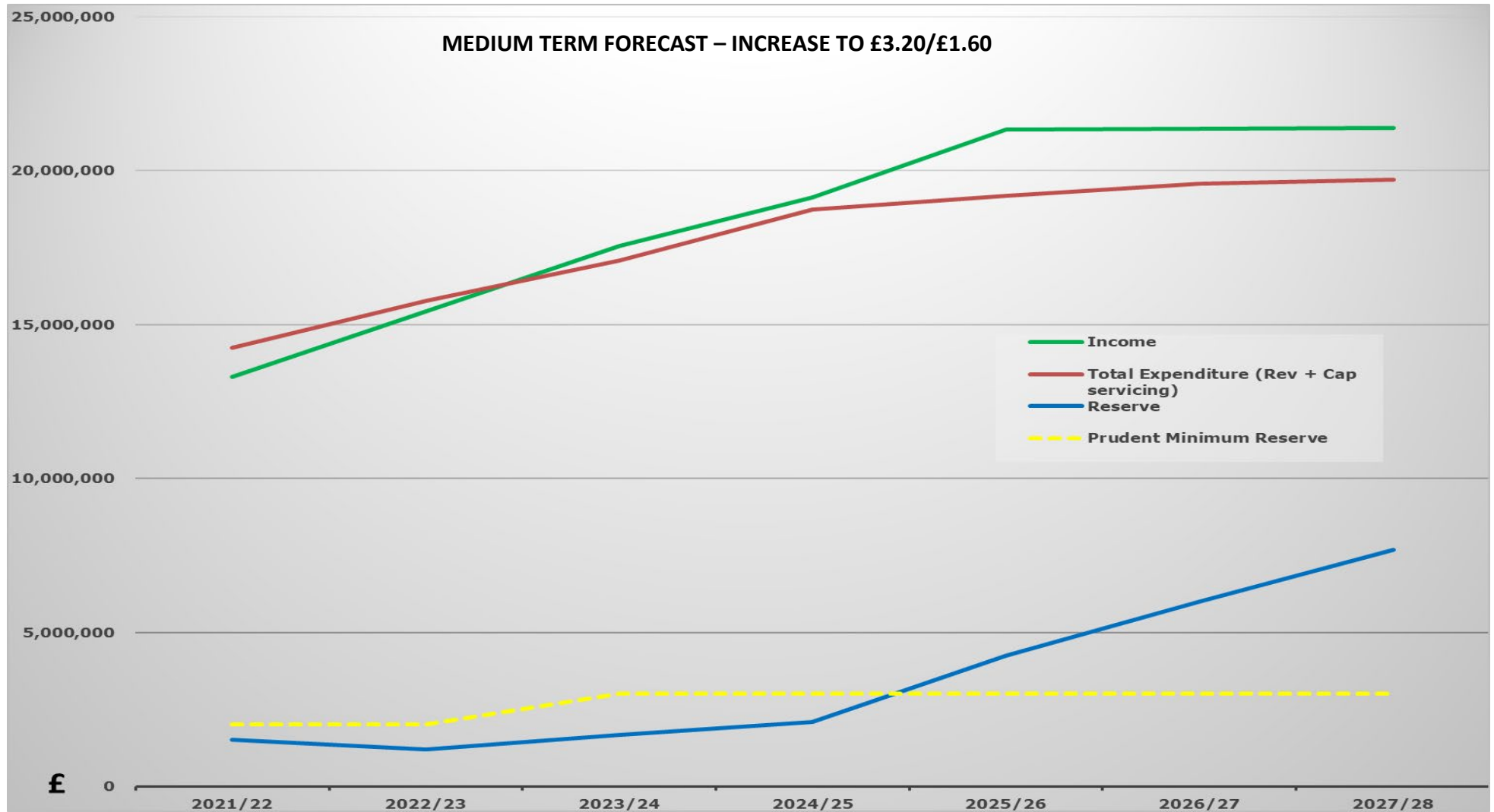
APPENDIX 6b – OPTION B: LONG TERM MODELLING



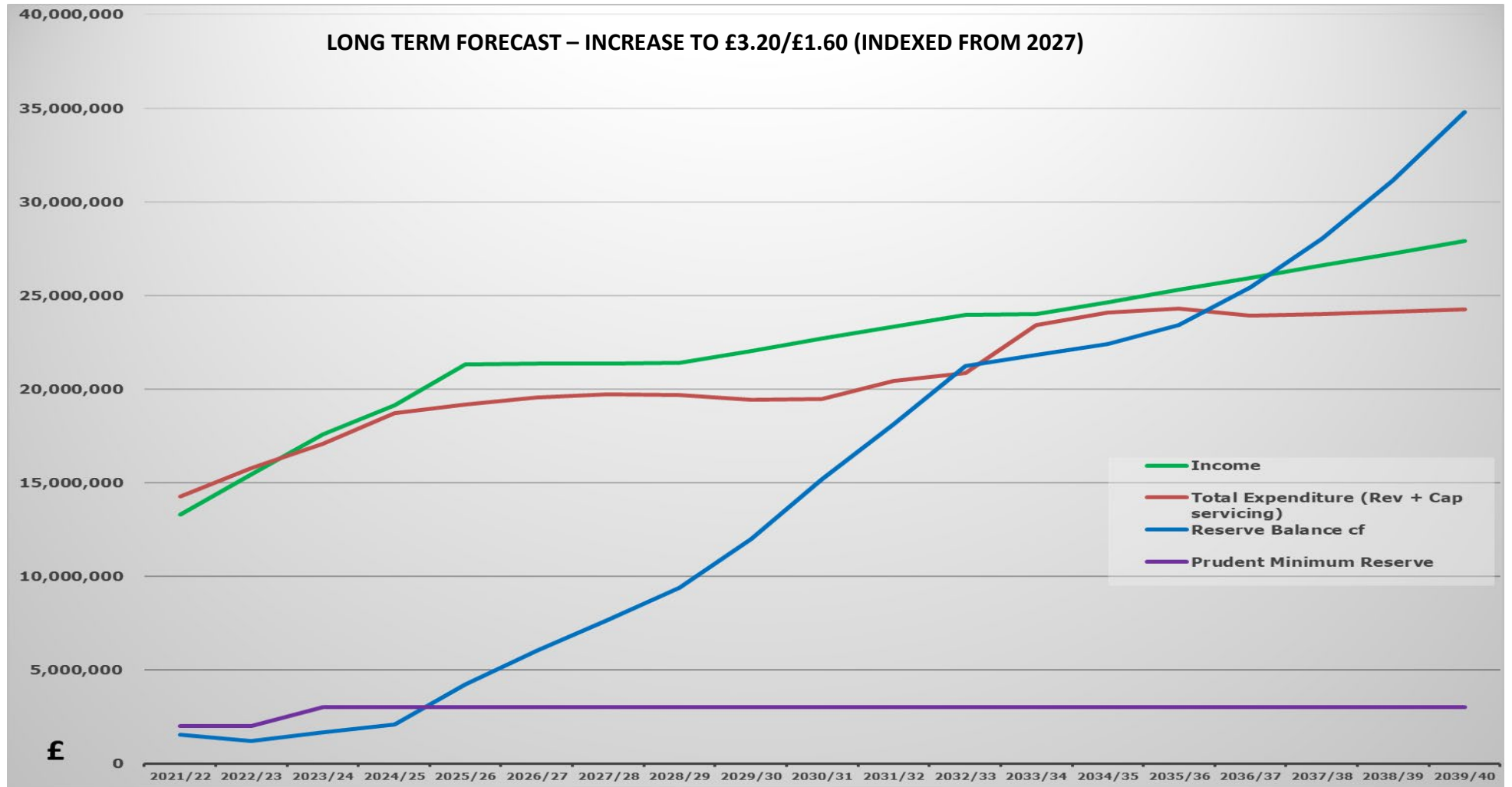
APPENDIX 6c – OPTION B (DEMONSTRATION WITHOUT INDEX)



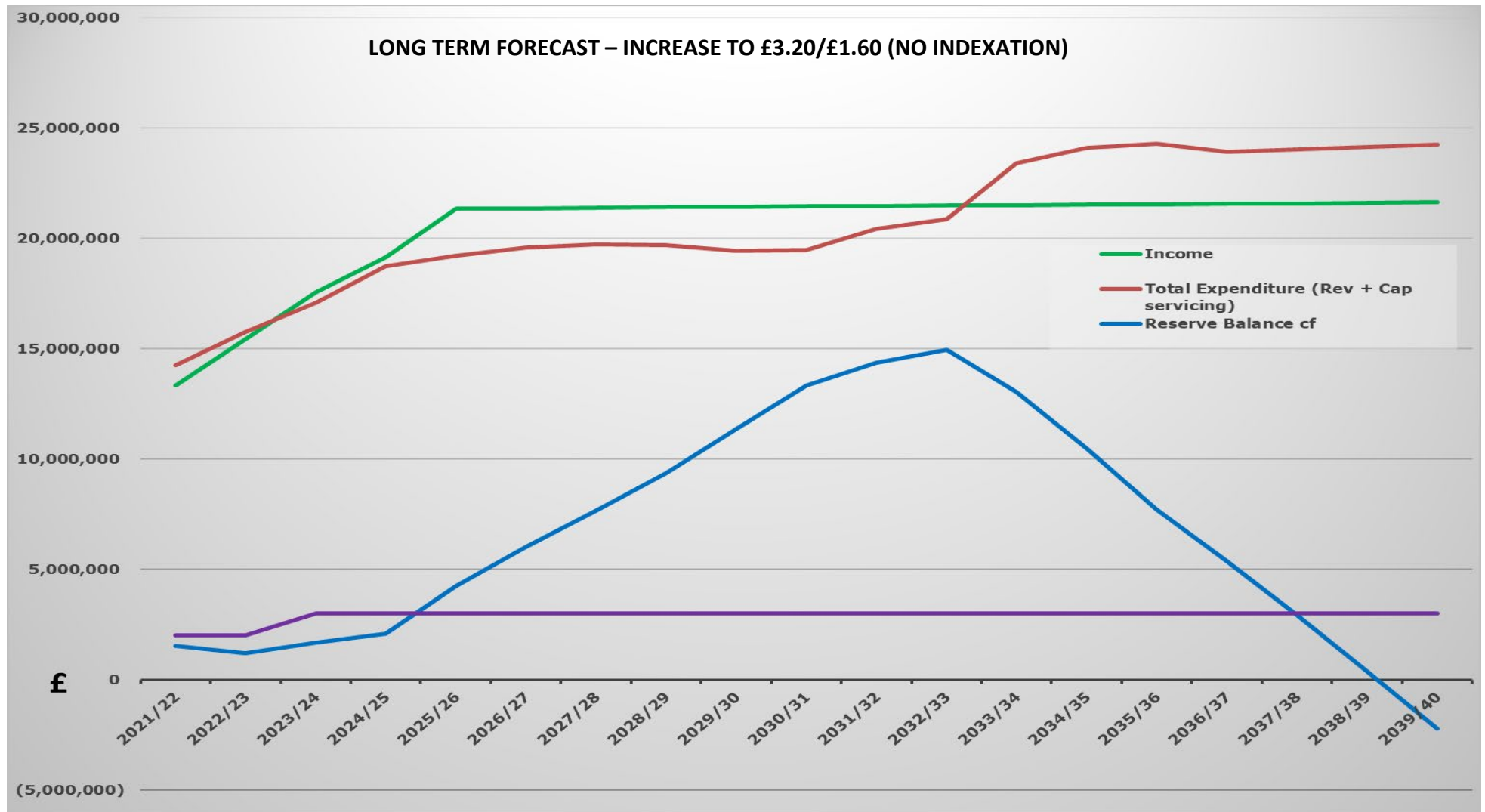
APPENDIX 7a – PREFERRED OPTION D



APPENDIX 7b – PREFERRED OPTION D: LONG TERM MODELLING WITH INDEXATION

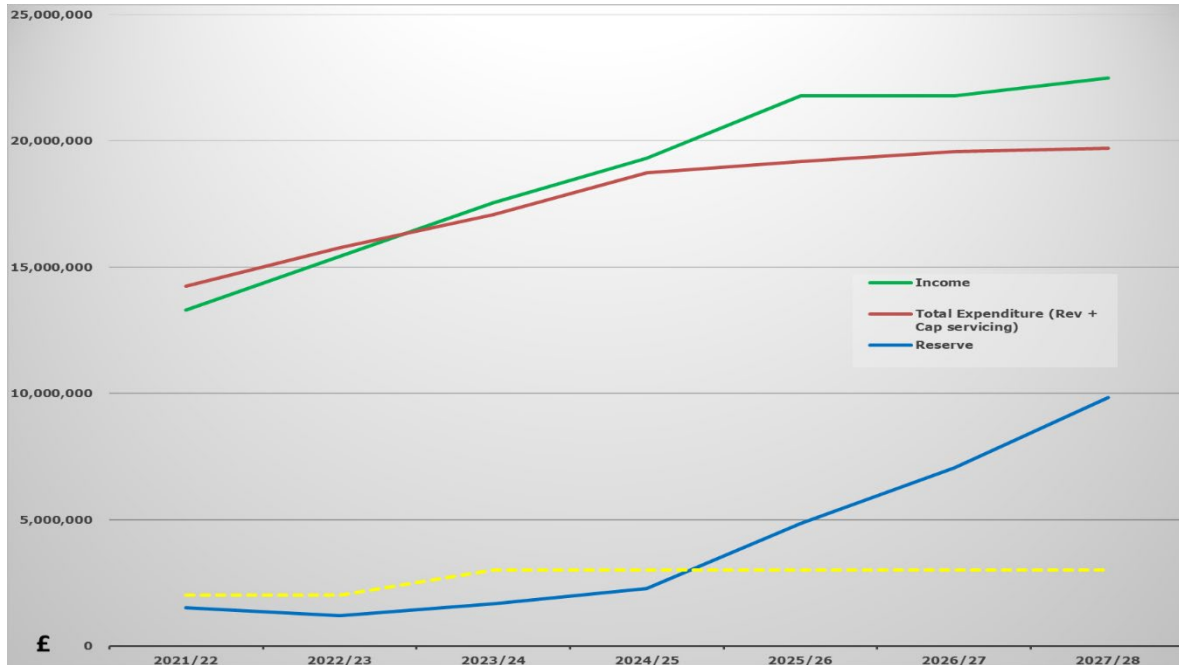


APPENDIX 7c – PREFERRED OPTION D: LONG TERM MODELLING WITHOUT INDEXATION

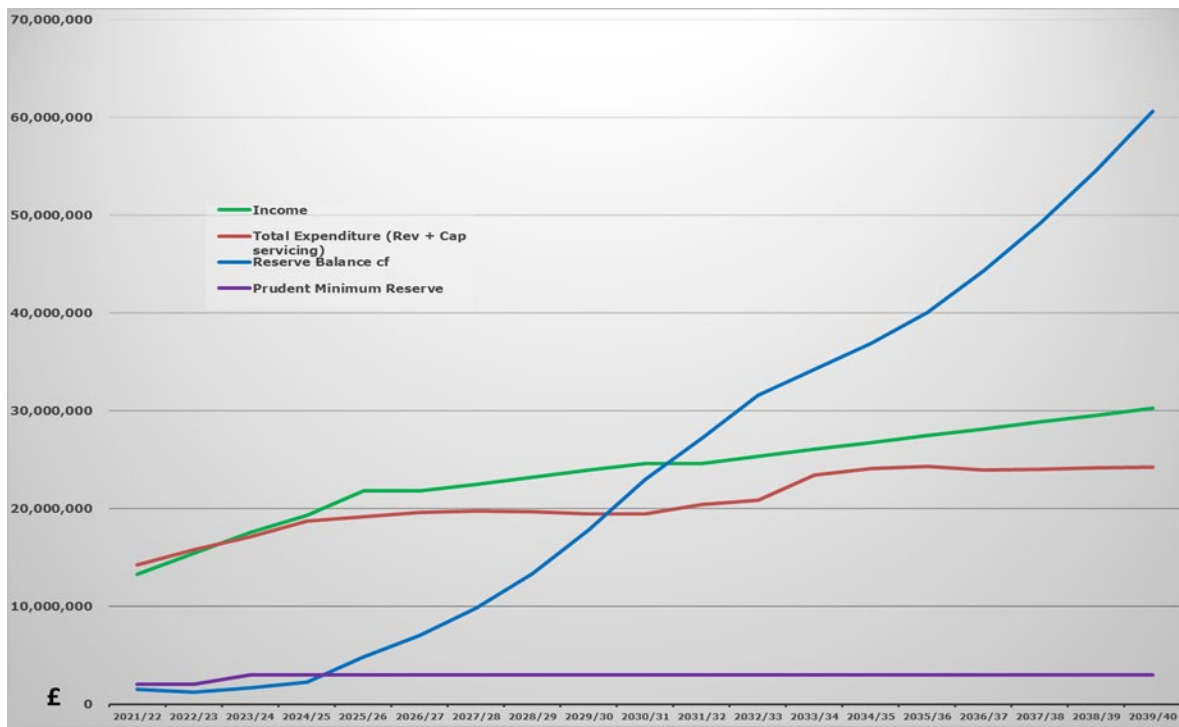


APPENDIX 8 – UPDATED MODEL FOR £3.00/£1.80 OPTION

SHORT TERM

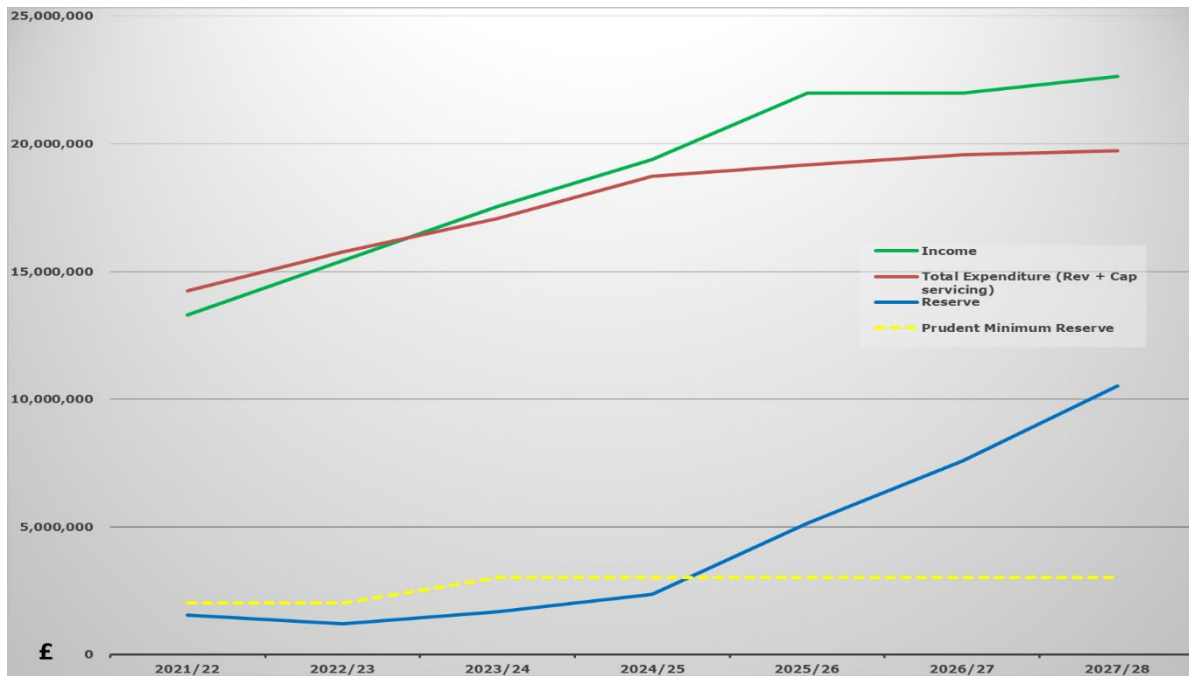


LONG TERM

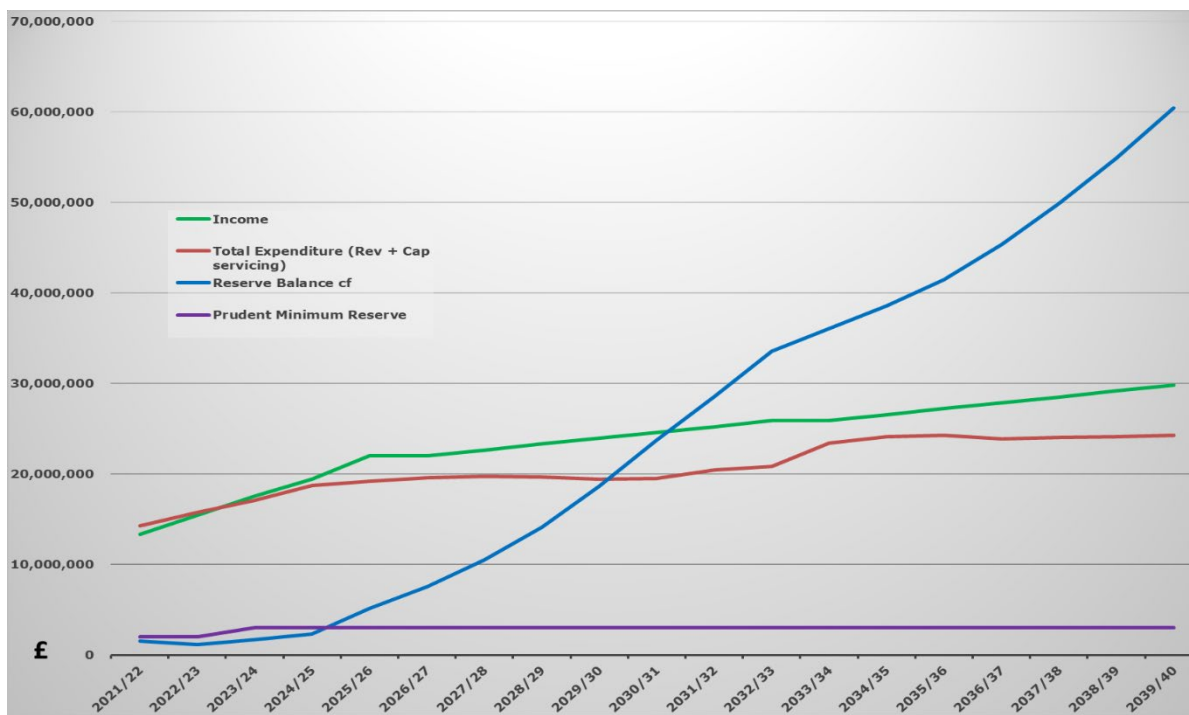


APPENDIX 9 – UPDATED MODEL FOR OPTION £3.00/£1.50 WITH ADDITIONAL FERRY CHARGE OF £1.00 CASH/50p TAG

SHORT TERM



LONG TERM



Tamar Bridge and Torpoint Ferry Future Financing

Does this project have an impact (positive or negative) on the Convention on the Rights of the Child

No

Directorate

150001 - Sustainable Growth & Development

Service

VCM - EGD Transport & Infrastructure

Name of Officer(s) completing the Assessment

Adrian Trim

Date

28/11/2023

What are the aims, objectives, outcomes?

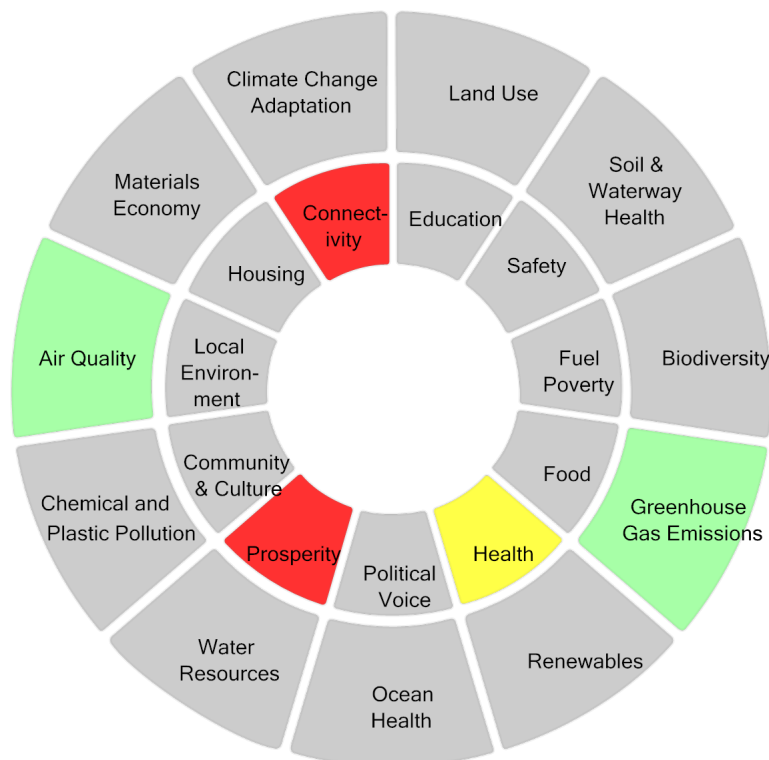
The Tamar Bridge and Torpoint Ferry have historically been operated together as a single undertaking on a 'user-pays' principle funded almost entirely from toll income. The need to address a financial deficit legacy from the Covid pandemic required that cash toll levels were increased following government authority to do so in January 2023 with the discounted TamarTag rate adjusted earlier by the Councils in May 2022. Traffic levels are significantly below pre-Covid levels - currently running at approximately 90% at both crossings – and are now expected to remain so for at least the next few years. When applying for the increase in early 2022, it was anticipated that a further intervention to adjust toll levels would not be required for a number of years. However the war in Ukraine, a considerable hike in fuel and energy costs and inflation exceeding 10% has eroded income to an extent that was not foreseen at the time of that application in 2022. The impact on finances is that without intervention significant annual deficits are forecast for 2024/25 and subsequent years, increasing year on year. To address this situation The Tamar Bridge and Torpoint Ferry Joint Committee recommends that Members decide on the level of financial resilience the crossings need by implementing either a 15% or

23% increase on tolls to meet inflationary and related pressures and to ensure the financial sustainability of the Tamar crossings in the future.

Who implements or delivers the above?

Tamar Crossings Team on behalf of Cornwall Council and Plymouth City Council

Environmental and Social



Legend

	Long lasting or severe negative impact
	Short term or limited negative impact
	No or neutral impact
	Short term or limited positive impact
	Long lasting or extensive positive impact

Air Quality Impact Summary

An increase in tolls may be a nudge to encourage users to adopt more sustainable means of travel - cycling, walking, public transport, car share. No modelling however has been undertaken to substantiate such changes and so it is difficult to quantify at this point. It should also be noted that continued safe operation of Tamar crossings significantly reduces the length of car journeys that would otherwise have to make significant detour

Greenhouse Gas Emissions Impact Summary

The toll increase may encourage a limited number of car users to switch mode for a more sustainable option such as cycling, walking, public transport or car share.

Connectivity Impact Summary

Users of the crossings will be required to pay a toll increase. Whilst this may be a negative impact, the financial sustainability of the crossings and their continued operation and resilience provides vital connectivity benefits for the residents of Plymouth and southeast Cornwall, including for work and healthcare. It should also be noted that the TAG discount for regular users will continue to offer significant savings for regular users, albeit at a higher toll level.

Health Impact Summary

Users of the crossings will be required to pay a toll increase, increasing the costs to residents of southeast Cornwall of accessing health and leisure services in Plymouth.

Prosperity Impact Summary

An increase in tolls may have a negative impact on employment, business start-ups or decisions to locate enterprises in southeast Cornwall.

Equality and Inclusion



Legend

	Long lasting or severe negative impact
	Short term or limited negative impact
	No or neutral impact
	Short term or limited positive impact
	Long lasting or extensive positive impact

Please give details of the research, consultation and any other evidence you have used to assess and inform the impacts of your project.

A professional company was engaged to carry out a comprehensive engagement campaign to meet the Governments requirements regarding consultation. Direct consultation with users on working and non working days, leaflet and questionnaires online and physically available, direct communication with TAG holders were elements of the consultation. Whilst all users will be equally affected, we are mindful that an increase in charges will have a greater impact on those on low incomes. This could include a differential negative impact on older and younger people, disabled people or those from some ethnic minorities. However, we are unable to quantify this at this stage. If further information becomes available, we will update the decision wheel

Age (particular age or range of ages)

Please describe the likely differential impact on people with different ages, whether positive or negative.

The increase in tolls will mainly impact on regular users, particularly those of working age who rely on commuting by private vehicle via the crossings.

What mitigations will be put in place to minimise disproportionate adverse impacts on this group?

A 50% discount is available to users reducing the cost of the crossings considerably.

Place Based (incl. Rurality)- It is also important that we understand if our decisions have any differential impacts on places, towns and rural communities.

Please describe the likely differential impact on places/rural areas or communities (please name specific towns/areas) whether positive or negative. Please consider if there is any differential impact on settlements of less than 3000 residents compared to towns.

The impact of the increases will be greater for those in southeast Cornwall, as some of their services (e.g. healthcare, work, leisure and education) are across the Tamar.

What mitigations will be put in place to minimise disproportionate adverse impacts on specific towns or areas?

The TAG discount for regular users will continue to offer significant savings for regular users albeit at a higher toll level.

APPENDIX 11**MOTION TO COUNCIL 28 November 2023**

Title of Motion	Government funding of Tamar Crossings and abolition of the Tamar Tolls
Proposer	Cllr Colin Martin
Seconder	Cllr Hilary Frank
Supporters (a minimum of three are required)	Cllrs Frost, George, Long and Parsons
Recommendation for Council to vote on	<p>Council calls on the Leader to work with the Joint Committee, Plymouth City Council, and MPs to call on the Government for:</p> <ol style="list-style-type: none"> 1. The Tamar Bridge Act 1998 and its predecessors to be revoked. 2. The tolls on the Tamar Bridge and Torpoint Ferry to be abolished. 3. National Highways to take responsibility for maintenance of the Tamar Bridge. 4. Government to fund the Torpoint Ferry in order to maintain the essential 24/7 transport link between Torpoint and Plymouth.
Context for the motion (i.e. why is the motion being submitted – what is the proposer aiming to achieve)	<p>Council notes that:</p> <ol style="list-style-type: none"> A. The Torpoint Ferry and Tamar Bridge are vital routes between Devon and Cornwall, both providing critical transport links to their respective local communities for many essential services. B. The current financial model as stipulated in the original Tamar Bridge Act of 1957 and its successors requires the maintenance of the two crossings to be funded through the 'user pays' principle of toll collection. C. The A38, which runs over the Tamar Bridge, is part of the national Strategic Road Network, but National Highways, which maintains this network, does not fund the maintenance of the Bridge. D. Royal Navy facilities are spread across both sides of the river, with HMS Raleigh to the west of Torpoint, huge fuel stores to the north, and hundreds of military and civilian personnel crossing daily between home and work. E. A bridge at Torpoint would be much cheaper to run and quicker to cross, but this has been deemed incompatible with the needs of

	<p>Devonport, the largest naval base in Western Europe.</p> <p>F. The Torpoint Ferry is the only river crossing in the UK to operate 24 hours per day all year round because of its uniquely important location connecting a town to a city.</p> <p>G. There is no viable alternative route for either crossing: the sole alternative being via a single lane 500-year-old bridge at Gunnislake - weakening the bridge and contributing to pollution in Gunnislake and Tavistock.</p> <p>H. The bridge and ferry are conjoined by the Tamar Bridge Act; the responsible authorities are common. It would be counterproductive and divisive to treat them as separate issues.</p> <p>I. Toll prices (currently £2.60 for cars and going as high as £14.30 for lorries) have risen above the rate of inflation over the past few years, with the prospect of another significant rise in 2024.</p> <p>J. In recent years, changing work patterns have led to a reduction in vehicle numbers using the crossings, and the resulting loss in income from tolls is one of the factors causing a shortfall in finances. Cornwall Council's Transport Strategy aims to reduce private car journeys by over 30% by the end of the decade, which would inevitably increase the cost per crossing for the remaining drivers.</p> <p>Council is concerned that local residents, businesses and other regular users of the Tamar Bridge and Torpoint Ferry are being unfairly taxed. Those being hit hardest by the tolls during this unprecedented cost of living crisis include:</p> <ul style="list-style-type: none"> • People accessing medical or dental care at Derriford Hospital or elsewhere in Plymouth • Families supporting relatives on opposite sides of the river • Carers making frequent trips across the Tamar to look after their clients • Employees and businesses who have to use the bridge or ferry to earn a living • Parents taking their children to school <p>Council notes that the current funding model is not sustainable in the long term, and recognises that there is:</p> <p>A. An economic impact to the tolls due to</p> <ol style="list-style-type: none"> i) Direct cost of the tolls
--	--

	<p>ii) Indirect cost of businesses not operating across the river</p> <p>iii) Time spent queuing for toll booths</p> <p>B. Climate impact of extra distance driven to avoid tolls</p> <p>C. Congestion impact on alternative routes</p> <p>Council recognises the need for Government to:</p> <ul style="list-style-type: none"> Invest in critical transport infrastructure in every corner of our country <p>Redress the underfunding in rural areas due to the self-fulfilling cycle of the Treasury's "Green Book", where high-growth regions are more likely to secure additional funding, and therefore strategically important rural projects often lose out.</p>
Does the motion*:-	
(i) have potential financial implications for the Council – if so advise what these might be	No. Crossings are currently funded by users, not by Cornwall Council. The call to abolish the tolls is conditional upon Central Government agreeing to fully fund the crossings, so there would be no financial cost or benefit to Cornwall Council.
(ii) have potential legal/constitutional implications for the Council – if so advise what these might be	No
(iii) require further background information to enable the Council to make a decision and/or require detailed consideration – if so advised what might be required	No
<p>Consultation requirements (Rule 12.2)</p> <p>Please provide details of how the proposer has consulted with the Strategic Director with responsibility for the matter (or their nominee) and the relevant Portfolio Holder(s) together with the details of the consultees' response:</p> <p>The Strategic Director's response was that the outcome from the proposed motion would remove the liability of maintaining the crossings from the parent authorities and remove the charge on residents and visitors to Cornwall to use the crossings. This of course would be a positive outcome for our residents</p>	

and reflects broadly an ask that has been put to central Government from political leaders in both authorities over recent years.

*Should any/all of (i)-(iii) apply it is likely that the constitutional provision of referring the motion to the relevant Committee will apply.

COUNCIL

28 November 2023

Government funding of Tamar Crossings and abolition of the Tamar Tolls

This briefing note sets out the potential implications of the motion submitted to Council. It is designed to support the Chairman in making her decision as to whether

- (i) the constitutional provision of automatic referral to the relevant Committee should apply; or
- (ii) if she considers it convenient and conducive to the despatch of business or sufficiently urgent, she may allow the motion to be dealt with at the meeting of the Council at which it is brought forward.

The briefing note will also be included in the Council agenda to enable Members to understand the wider context.

Has the Council or is the Council doing any work at the current time in relation to this motion or any associated issues?	Yes. The Tamar Bridge and Torpoint Ferry Joint Committee (which includes the Portfolio Holder for Transport for each parent authority) have been liaising with local MPs and the Government since at least April 2020, specifically asking for financial support for the crossings.
Does the motion:-	
(i) have potential financial implications for the Council – if so advise what these might be	<p>While the motion is clear that it is on the basis that the Government takes over all costs of operation for the crossings it should be highlighted that there are still actual and potential financial implications for the parent authorities;</p> <ul style="list-style-type: none"> i) At the end of the last financial year there was an outstanding debt of circa £40m in capital loans and further debt has been incurred in the current year. If liability or liability and ownership of the crossings were transferred to Government (and to be clear there is no information received from Government that suggests they would be accepting of this position), the default position would be that the debt would remain with the parent authorities. The current toll covers repayment and interest costs. Current repayment terms for most borrowing is 25 years. ii) The Torpoint ferry operation is not part of the strategic highway network and as such any proposed transfer of liability or liability and ownership to Government is unlikely to be accepted. There is no current precedent for direct operation or funding of ferry crossings by Government and even less of

	<p>toll-free ferry crossings. Tolls currently taken on the bridge support the Torpoint ferry operation, so if liability or liability and ownership of the bridge were to be accepted by Government without the ferry, either the loss of this revenue support will have a significant impact on both authorities – who would need to fund the ferry, or there would be the need for very significant reductions in the service offered.</p> <p>iii) Associated costs to change legislation and staffing and human resource implications.</p>
(ii) have potential legal/Constitutional implications for the Council – if so advise what these might be	<p>The bridge and ferry operate through primary legislation, the motion would require the revocation of the Tamar Bridge Acts 1957, 1979 and 1998 and new legislation enacted. Changes to legislation will require political support including from the parent authorities, local MPs and central Government and parliamentary time.</p> <p>The Tamar Bridge Act 1957 (as amended) requires that a Joint Committee of the parent authorities be established and with the exception of certain functions – the Joint Committee are responsible for discharging functions relating to the crossings under the Acts. The Tamar Bridge and Torpoint Ferry Joint Committee will be (following a period of public consultation) considering the future financing of the crossings (including a potential toll revision) at its meeting on 8 December 2023. Due to the impact this will have on the budget of the parent authorities, recommendations from the Joint Committee will be made to the Full Council of both parent authorities via their Cabinets. These recommendations will be considered at the Cabinet and Full Council meetings for both parent authorities in February 2024.</p>
(iii) require further background information to enable the Council to make a decision and/or require detailed consideration – if so advised what might be required	<p>It should be noted that if the liability or the liability and ownership of the bridge and/or the ferry were to transfer to Government it would have to compete with the rest of the strategic trunk road network for future capital investment.</p>
What would be the implications for the Council if this motion was dealt with at the meeting of the Council	<p>As set out above, the Tamar Bridge and Torpoint Ferry Joint Committee is already liaising with Government to ensure a sustainable future for the crossings, this includes requests for funding and looking at legislative change.</p>

<p>at which it is brought forward?</p>	<p>Immediate action is required regarding the financial situation of the crossings as set out in reports that went to the Joint Committee in September 2023.</p> <p>The Tamar Bridge and Torpoint Ferry Joint Committee will be (following a period of public consultation) considering the future financing of the crossings (including a potential toll revision) at its meeting on 8 December 2023. Due to the impact this will have on the budget of the parent authorities, recommendations from the Joint Committee will be made to the Full Council of both parent authorities via their Cabinets. These recommendations will be considered at the Cabinet and Full Council meetings for both parent authorities in February 2024.</p> <p>The parent authorities scheduled governance processes should be followed, not least because the Joint Committee is a statutory Joint Committee with responsibility for matters relating to the crossings and because the matter will come to Full Council, in any event in February 2024 as part of the budget setting process.</p> <p>There are a range of issues that would need to be considered as part of this motion which are wide ranging including complex legal and financial issues.</p> <p>The motion could raise expectations that may be unrealistic or that cannot be delivered and the motion is likely to have a detrimental impact on staff retention and recruitment at the crossings.</p>
--	--

Author: Vicky Fraser

Role Title: Service Director Environment and Connectivity

Directorate: Sustainable Growth and Development

Briefing note approved by: Phil Mason, Strategic Director Sustainable Growth and Development