



# Warburton

— Toll Bridge —

Rixton & Warburton Toll Bridge

# Sustainable Investment Plan

The Manchester Ship Canal Company Ltd

	Toll Charge B 5159 Warburton Bridge
Single journey	
All day pass	
Annual pass available online <a href="http://www.warburtontollbridge.co.uk">www.warburtontollbridge.co.uk</a>	

July 2021



# Over 150 Years of History

The existence of a toll bridge crossing the River Mersey in Warburton dates back to 1863 when the construction of the bridge and turnpike roads were authorised by the Rixton & Warburton Bridge Act 1863 and included the levying of the tolls. That original stone bridge spanned the River Mersey.

In 1885, Parliament passed the Manchester Ship Canal Act authorising the construction of the canal, which was inaugurated in 1894. As a result, the River Mersey was diverted and its course dried up. Subsequent legislation provided for the diversion of the toll bridge to a new high-level bridge over the canal.



# Looking to the Future

We are now seeking to take the bridge undertaking into the 21st century in a financially sustainable manner with a new business plan, while addressing the concerns raised by customers and the local community, recognising that the bridge, approach roads, and toll collection system, are in need of a significant upgrade.

We also need appropriate powers to restrict unsuitable vehicles and enforce such restrictions to improve the protection of the bridge in the future and ensure secure, safe navigation of the Manchester Ship Canal.

The different elements of the plan are integral to each other and it is proposed that they are promoted together under the Transport and Works Act 1992 in a form of statutory instrument called a Transport and Works Act Order (TWAO).

While we are currently in discussion with the relevant government department to progress our proposals, we wish to continue working collaboratively with Warrington Borough Council, Trafford Borough Council, and all other relevant stakeholders during this process.

As part of that ongoing process of collaborative working, which currently includes a Memorandum of Understanding with Warrington Borough Council that covers lifting tolls if there are problems with the M6, and cessation of toll collection during Sale Sharks rugby team home games, we have prepared this consultation brochure of our proposed Sustainable Investment Plan for the Rixton & Warburton Toll Bridge.

We are now seeking initial feedback over the next month for our proposals from stakeholders ahead of starting the formal statutory process for the required authorisations. We provide details at the end of this document on how such feedback can be provided.





# Sustainable Investment Plan

We have developed the Sustainable Investment Plan, with independent support and input from various parties on future costs and revenues, through the following steps:

- Assess the current situation and outline a plan going forward in a financially sustainable manner.
- Identify the steps required for delivering the plan, including indicative cost programs for refurbishment and maintenance, along with proposals for toll collection in the future.
- Calculate the implications of this plan on the future toll level required, and how such requirements would fit within the principles of the legislation that currently covers toll increases.
- Balance the various capital and operational costs with the likely toll level required to fund then and obtain a preferred balance between the two.



# Current State of Affairs

The original 1863 Act authorising the levying of tolls “over, along, or upon the Bridge and Roads, or any of them, or any Part thereof respectively” identified the maximum one way toll at 12.5p (i.e. two and a half old shillings). However, as 0.5p coins no longer exist the toll for a single trip is currently set at 12p, with 20% VAT, this means only 10p per trip actually goes to the operation of the bridge.

To date we have endeavoured to operate within the constraint of 10p per trip. To our knowledge we are the only private toll facility in England that has never asked for a toll increase since its original founding legislation so there has been no uplift in 158 years.

Current traffic levels give us less than £250,000 revenue per annum once VAT is removed and before deduction of operating costs. It is increasingly clear that the small surplus has meant the bridge, approach roads, and toll collection system have deteriorated to the point where major refurbishment costing many millions of pounds is needed.

The bridge also needs more robust protection to deter overweight vehicles so that any refurbishment delivers the anticipated benefits for the expected lifetime.



# No Action is No Longer an Option

We acknowledge that something now needs to be done, not only to remedy these issues, but to ensure a sustainable financial footing going forward. To achieve this, an upgrade strategy has been developed to include the following:

- Funding a major capital investment program in the bridge to reverse the physical decline and investigate allowing a weight limit of 7.5t, although general access by vehicles would still be limited to under 3t. Only a small number of vehicles between 3t and 7.5t that are of social value, such as the emergency services or buses, would be allowed.
- Upgrade the approach roads, in terms of the vehicle running surface. These will then be maintained going forward on a more consistent basis. This will address one of the major concerns of current customers, namely vehicle damage from potholes. We also hope these improvements will encourage more sustainable travel such as walking and cycling.
- Assess options to allow us to control vehicle access more directly in terms of weight, height, width, and their speed, as well obtaining powers so that we can enforce such restrictions.

# Time to Think About a New Bridge

However, even with this greater asset protection, it has to be accepted that the bridge structure is now over 125 years old and we believe it is critical to start to build up a reserve fund to assist with any future major works, including the potential provision of a replacement bridge.

Based on the comparable approach by other private toll bridges, a new replacement bridge and abutments have been estimated at a current cost of £15m and our sustainable investment plan sets a target of building up a reserve fund of no more than 30% of that estimated nominal cost over the 20 year life of the plan.



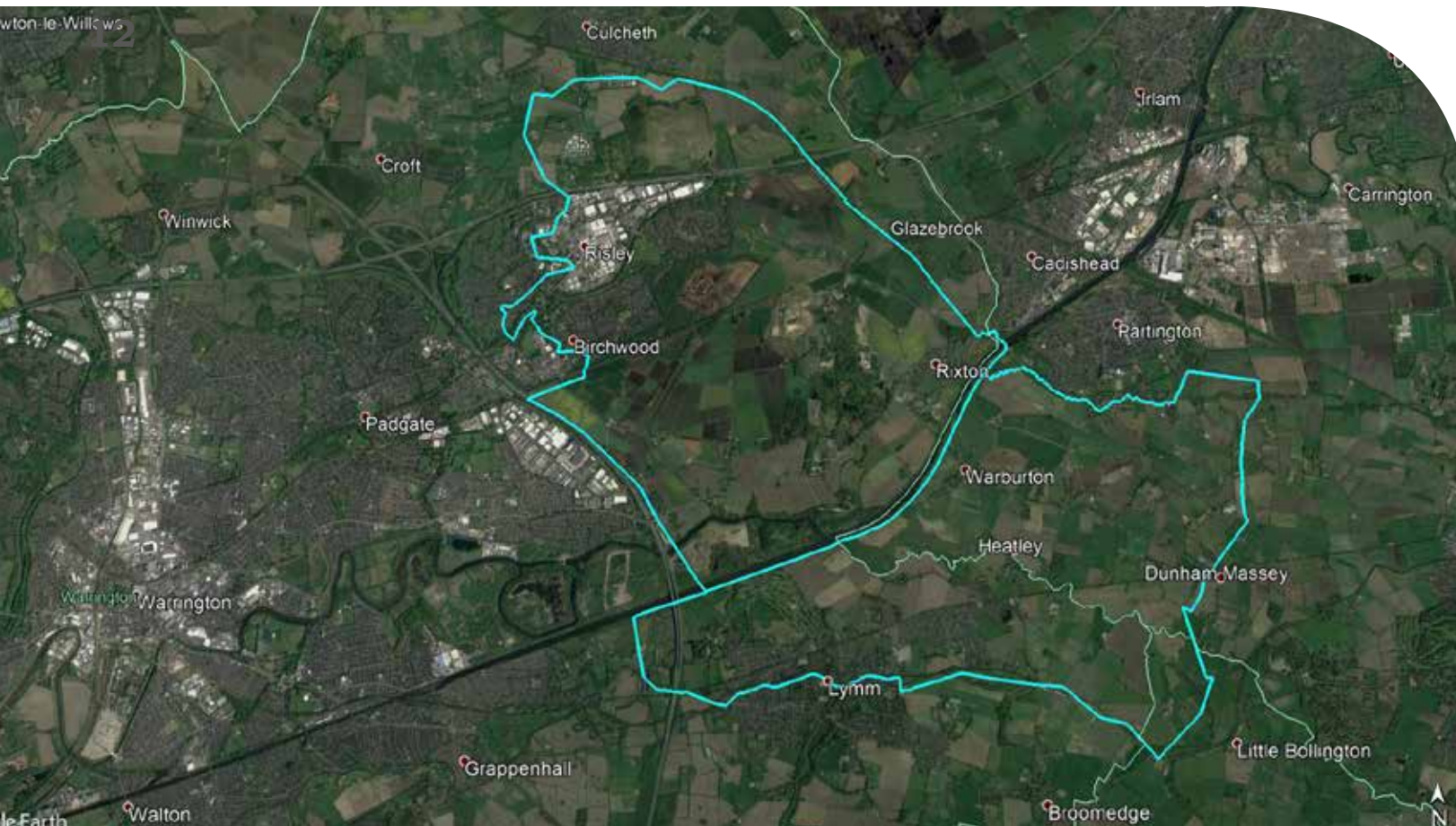
# Time To Address Delays During Toll Collection

We are aware that a major concern of customers is the build-up of queues at the toll barrier particularly during peak periods. This arises because there is also only one lane per direction, with cash collection only, so even the smallest issue or delay in paying can quickly result in a queue. This also has implications for access to, and air quality in the village of Warburton at those times. The ongoing pandemic has also called into question the safety of, and precautions required, in the physical passing across of coins and notes.

We therefore propose, as part of the upgrade programme, to improve the toll collection system to address this issue by harnessing technology for free-flow tolling. This would remove the need for any toll collection booth, and hence any delay. We will consider whether interoperability with other Mersey Crossing toll facilities is possible, and as part of the statutory application we will be seeking powers to both set and enforce free flow tolls.







## The Impact On The Level of The Toll

Even if every single penny of the tolls collected were directed to funding the refurbishment costs without considering any operating or maintenance costs, there is still a very large gap between the budget cap we have set for the refurbishment works (circa. £6.5m) and the revenues of less than £250,000 (excluding VAT) a year.

Revenues raised from a net toll of 10p a trip simply cannot fund an investment program of this scale. Tolls will therefore need to be increased significantly.

Our sustainable investment plan therefore includes us seeking permission to increase the toll to up to £1.00 (Inc. VAT at the current rate of 20%) per trip, and to index this to a yearly increase of inflation minus 1%. For residents of the defined local geographical area above (Postcodes WA3 6 and WA13 9) we can consider a local customer discount, which we would aim to set at around 50% (i.e. 50p including VAT at the current rate of 20%).

This level of toll can be contrasted with the two other tolled Mersey Crossings in the region which have headline tolls (i.e. without discounts and exemptions) for cars of £1.80 (Mersey Tunnels) and £2.00 (Mersey Gateway).

## The Business Case

In order to support the economic case for this investment, a cash flow business model was developed. This considered the financial position of the Bridge pre-COVID, the likely impacts on traffic in a post-COVID environment, and calculates future projections of finances relating to the upgrade works.

It then allows one to calculate the increase in the toll needed to cover future projections in capital, operating, and financing costs, as well as the size of any reserved fund.

The refurbishment costs for the upgrade program, along with setting up a back office management system for free-flow tolling operation are estimated in total to be circa. £6.5m.

The physical works are extensive and will impact on the level of service received by customers. Consequently, we are proposing that during these periods of work the toll will be suspended. This could be for as long as one year.

In order to fund and finance this investment, pay it off every 20 years so that we are ready to fund the next refurbishment package, and create a reserve fund for a new bridge, there is a need to set the potential toll level to an appropriate level.

Sensitivity testing of the business plan indicates that the headline toll of £1 (Inc. VAT at the current rate of 20%) should be adequate to insure the refurbishment of the bridge under a range of different traffic and financing scenarios, although in the worst case the reserved fund for the new bridge may not be as large as desired. These sensitivity tests also indicate the headline toll could be set lower, or more discounts given, if the outturn traffic and financing costs are better than anticipated.

The new toll levels would only apply once the upgrade works are completed, and would be accompanied by exemptions in line with those currently offered, with discounts for high frequency use, similar in principle to those available today as well as an additional reduced toll for residents of the defined local discount postcode area.





# Frequently Asked Questions

We have listed below some frequently asked questions, along with our answer.

## **Q1 – Can the Local Highway Authorities take responsibility for the bridge and remove the toll?**

**A1** – The cost of refurbishing and then maintaining the bridge and loss of toll revenue would be considerable and both Trafford and Warrington Councils have confirmed that they cannot even consider taking on those additional significant financial liabilities without additional support from central Government and/or increases in Council Tax.

## **Q2 – What is the Government’s policy on private toll facilities such as the Rixton & Warburton Toll Bridge?**

**A2** – We believe the last policy statement on this topic was made by the then Parliamentary Under-Secretary for the Department for Transport (Jesse Norman MP) as a response to a Parliamentary Question in February 2018 by Helen Jones MP (Warrington North).

The question was as to whether the Secretary of State for Transport would “make it his policy to bring forward legislative proposals to repeal charges

on toll bridges established under 19th Century Acts of Parliament”. The reply was “These toll bridges are privately owned and operated. The operation and management of these privately owned crossings are a matter for the respective individual companies and Government has no plans to repeal the legislation in respect of these charges”.

## **Q3 – Is there a Rixton & Warburton Toll Bridge Company**

**A3** – At present there is not, with all costs and revenues appearing in our wider company accounts (although management accounts do identify many of the costs and all the revenues related to the Bridge). However, in the future we will establish a new bridge company as part of the proposed TWAO, to deliver the future management and operations of the Bridge.

The creation of a new company does not change our commitment to the Bridge as its maintenance and safe operation is needed to ensure that the future secure and safe operation of the Manchester Ship Canal as a Statutory Harbour Authority is not put at risk. This company will have its own statutory accounts which will be published. As such, there will be more public transparency in terms of the income and expenditure relating to the Bridge.

## **Q4 – Will the toll always be set to the maximum level allowed?**

**A4** – No, the toll will be set at a level which achieves the objective of the safe efficient and economic management, operation, and maintenance of the Bridge, including making a contribution to a reserve fund. These principles are set out in the TWAO and follow the spirit of the Transport Charges (Miscellaneous Provisions) Act 1954. This means the toll could be lower than the maximum level, although it cannot exceed the maximum.

## **Q5 - Will I have to pay the full toll for every trip across the Bridge?**

**A5** – No, as with the current toll rates, we anticipate at least two discounts. Assuming the toll for a single trip is up to £1.00 (Inc.VAT at the current rate of 20%), we will cap any daily tolls to the total for two trips or £2.00 (Inc.VAT at the current rate of 20%) (similar to the current 25p all day ticket). With free flow tolling we anticipate this being done automatically. We will also offer a yearly pass, as we do now, that would allow unlimited crossings at a price to be agreed.

Should the upgrade costs be noticeably lower, and/or traffic levels higher, than expected, a lower toll and larger discounts could be considered.

## **Q6 – Have discounts for local residents based on where they live been considered?**

**A6** – Geographical discount schemes and their administration add to operating costs when compared to other discounts based on things such as frequency. Also, the larger the discount area, the higher the headline toll for other customers has to be, to ensure adequate total revenues are raised. Despite this, and to address valid concerns of very local residents on affordability, while keeping the toll for other customers as low as possible, we are considering allowing those residing within two local postcodes (WA3 6 and WA13 9), upon provision of proof that the vehicle is registered at an address in this area, to provide a discount on all trips. We believe around 30% of trips using the bridge each day are from this area. So, as an example, if the headline toll was £1 (Inc. VAT at the current rate of 20%) and a 50% discount were offered, the toll for these local customers would be reduced toll to 50p (Inc. VAT at the current rate of 20%), and it would still be capped for multiple trips at £1.00p (Inc. VAT at the current rate of 20%). The precise level of discount may need to be adjusted depending on future traffic levels, but the business case analysis indicates a 50% discount should be sustainable. Alternatively, if no local discount were to be offered we believe the headline toll could be reduced by around 20% for all users.



**Q7 – Will any vehicles be exempt from the toll?**

**A7** – Yes, we will maintain an official register of exemptions that will list out those vehicles exempt from the toll. With free flow tolling it is likely some of those seeking exemption will need to pre-register and there may need to be minor changes to reflect how the technology works. While this will be regularly reviewed, at present the plan assumes the same exemptions as currently apply. Exemption from paying the toll would therefore apply, amongst others, to pedestrians, cyclists, motorcycles, emergency services (ambulances, fire engines and police), public transport vehicles, and the armed forces. The current list of exemptions can be found on the bridge website under “terms and conditions”.

**Q8 – How frequently will the toll change?**

**A8** – Tolls will change no more than once a year. The level of toll will be reviewed at the start of each year, with the change in toll occurring at the start of April. Any change will be externally publicised. The exemptions register will also be reviewed and updated at that time. However, tolls will not automatically be increased, and the changes once a year could also include variations in the type or level of discounts.

**Q9 – How much disruption will there be when the Bridge refurbishment starts?**

**A9** – The precise timing and nature of the disruption during the refurbishment will only be known once we have appointed a contractor to undertake the work. However, unfortunately, based on our experience with other similar structures across the canal, we believe it will be necessary to go to one way working for a significant period of time, and possibly as long as one year.

We appreciate this will result in significant disruption to Bridge customers and therefore do not propose collecting the toll during these periods. Further, any new toll rate will not be introduced until all the works are completed.

**Q10 – Will the refurbishment of the Bridge mean a lot more trucks using the Bridge?**

**A10** – No, as we will still limit general traffic to a maximum of 3t, as occurs now. We will allow buses and other socially valuable vehicles up to 7.5t to use the bridge, but these will be an exception, and we anticipate these will be very small in number. Further, we intend to investigate additional physical measures, along with increased enforcement powers, to ensure overweight vehicles do not use the bridge in the future.

**Q11 – With the introduction of free flow tolling, will I need a TAG or other device in my car, or open an online account, before I can use the Bridge?**

**A11** – We are still investigating the various technology options for introducing free flow tolling, including interoperability with other local toll facilities, but our choice will be guided by our desire to keep costs (and therefore the level of toll) as low as possible, while still providing an easy to use and accessible system for our customers. However, it is likely some in vehicle device or on line account will be required, especially for accessing any discounts.

**Q12 – What will happen with free flow tolling if drivers use the Bridge accidentally without paying or do not have the necessary TAG or account?**

**A12** – We will be obtaining enforcement powers to allow us to pursue non-payment of tolls, and where appropriate, levy additional fees and penalties. However, we also believe people should be provided with adequate time to rectify any non payment before we class them as in breach. We therefore anticipate a grace period following a non-payment trip before classing a trip as a breach.

**Q13 – What are the next steps and when is all this going to happen?**

**A13** – Following receipt and consideration of feedback on our current proposals, we will finalise our plans, and submit an application for a TWAO to the Department of Transport (DfT). At present we believe this will be within the next 6 months.

What happens after that is dependent upon the DfT, and the recovery from Covid-19 restrictions. However, we currently anticipate that the Secretary of State’s decision in respect of the TWAO would be given by the end of 2022 at the latest and if the TWAO is granted would allow the refurbishment to commence in 2023.

**Q14 – What will happen if VAT is increased higher than 20%?**

**A14** – The toll will increase to protect the net revenue position.



# How to Respond

We are now inviting written feedback and comment on our proposed Sustainable Investment Plan as outlined in this consultation brochure.

This consultation phase is non-statutory and there will be formal consultation with the prescribed consultees as part of the Transport and Works Act Order (TWAO) procedure in due course.

Formal responses can be submitted no later than 20 August 2021 to the following email address:  
**warburtontollbridge@peelports.com**

Further information is also available from our dedicated website:  
<https://www.warburtontollbridge.co.uk/>

## Indicative Timeline

	Months					
Where we are now	July					
Non-Statutory Consultation		1 Month				
Consultation Feedback Analysis			1 Month			
TWAO Process				Up to 18 Months		
Design and Tendering					6 Months	
Physical Works						Up to 12 Months



