



# Tunnels Task Group Project Initiation Document

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<b>Document Owner</b>	Integrated Transport
<b>Author</b>	Frank Rogers
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## **Introduction**

This document looks to establish the detailed arrangements associated with the Tunnels Task Group, whose aim is to: -

- consider options open to the Combined Authority to reduce the costs of tunnel tolls and its impact in infrastructure and transportation.

## **The Approach**

In order to support the work of this group and maintain transparency, Merseytravel have commissioned a range of independent reviews associated with the operation of the Mersey Tunnels to ensure options explored are understood in detail. The key aim is to ensure the Combined Authority recommendation considers the best outcomes for the Liverpool City Region as a whole, and is not specific to Mersey Tunnels.

These reviews include, but are not limited to: -

- Background/ Historical Context of the Mersey Tunnels legislation and our journey to date.
- Economic Impact of the Mersey Tunnels
- Social Impacts of the Mersey Tunnels
- Mid-term review of the emerging Mersey Tunnels Strategy to ensure the two commissions align.

As well as the above independent commissions, the review will also be informed by official reports on current status of National Government policy, local government issues and local business impacts.

### **Historical Context of the Mersey Tunnels legislation**

An independent report has been commissioned to ensure the group are informed around the historical operations of the Mersey Tunnels and the various pieces of legislation and funding structures which led to the introduction of the Tunnels Act 2004, along with a summary of the background concepts of the Tunnels Act 2004.

### **Economic Impact of the Mersey Tunnels**

Building on a report commissioned by Merseytravel in 2008, a separate independent assessment of the economic impacts of the Mersey Tunnels for the City region.

### **Social Impact of the Mersey Tunnels**

The Tunnels Act 2004 makes several references to the social impacts of the Mersey Tunnels, and in particular the tolls themselves. An independent review of the impacts has been commissioned in order to again best inform the available options and the specific impacts for the City Region.

## Funding and Potential borrowing options of the Mersey Tunnels

The Mersey Tunnels currently generates approximately £42m income per annum for the Combined Authority, which in turn is used to fund existing debt charges, along with operational and maintenance charges. Any surplus is then used to ensure appropriate investment in an aging asset that has an estimated value of over £1bn, with any over surplus then used to fund transport related schemes for the City Region. In determining available options, the Combined Authority should consider the various benefits such a funding model can bring, as well as the potentials available to offer various discounts to users.

## Mid-term review of emerging Tunnels Strategy

The recently commissioned Mersey Tunnels Strategy is aimed principally at reviewing the Asset, its current condition and the potential maintenance and capital developments required over the next 20 to 30 year period, which could help the outputs from this overall report.

It is expected these pieces of work commissioned by Merseytravel to help inform this review. The outcomes of these reviews will be shared with the task group if deemed appropriate.

## **The Outcomes**

It is expected that each of the independent commissions detailed above, coupled with Lead Officers reports will form the basis of the evidence for this review.

In effect, this will lead to a formal paper to be submitted by the Head of Paid Service to the Combined Authority as part of the toll setting process for 2016/17, so in turn the Combined Authority members can be better informed on their available options moving forward. Should further work around detailed reviews be necessary then this can be as specifically requested by the toll review group.