



Department
for Transport



Office of the Secretary of State for Wales
Swyddfa Ysgrifennydd Gwladol Cymru

The Severn Crossings

Reducing toll prices and other issues

Government Response

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1. Executive summary

The Severn Crossings are a key link in the economies of South Wales and the South West of England, and continue to foster the economic and cultural landscape of their surrounding areas. They are used by more than 25 million vehicles each year and the Government is committed to ensuring that they continue to provide this vital link for generations to come.

Earlier this year the Government consulted on proposals to reduce the Severn Crossings tolls, and other measures, including whether consideration should be given to the future introduction of free-flow charging. This document is the Government's response to the consultation process and sets out details of the views expressed by respondents, along with Government's conclusions and subsequent plan for the future operation of the Crossings.

Whilst the consultation did not ask for views on abolishing the tolls, there were a significant number of responses that called for such action alongside respondents who were broadly supportive of the consultation proposals. It is the case that interested local parties, including Members of Parliament, Assembly Members, businesses and commuters have long called for the abolition of the tolls. In view of this we will not press ahead with halving the tolls but instead commit to abolishing the tolls entirely at the end of 2018.

The Crossings will revert to Government control on 8 January 2018, after which they will be managed by Highways England. Following that date, the tolls will no longer include VAT, and so the rate of tolls will be reduced accordingly. This is in line with our 2015 Budget announcement. Additionally, there will be no increase on 1st January 2018 (as there has been in previous years). Tolling will then continue until the end of 2018 at which point all tolls at the Crossings will be abolished, as per the Government announcement on 21 July 2017. This period of tolling will allow costs incurred by taxpayers relating to the crossings – previously and over the final year of tolling – to be recovered. We believe this represents the fairest arrangement, which balances the contribution made by users and taxpayers.

Table 1 sets out the charges once VAT has been removed. The TAG rates will also be changed accordingly.

Table 1: Charges post Concession with VAT removed

Vehicle Category	2017 Toll (£)	Charge post concession
1 (Cars and other vehicles up to 9 seats)	6.70	5.60
2 (Goods vehicles up to 3.5 tonnes, small buses)	13.40	11.20
3 (Goods vehicles over 3.5 tonnes, large buses)	20.00	16.70

Highways England taking over responsibility for the Crossing after the end of concession will affect some staff working at Severn. Staff and their recognised unions will be consulted well in advance of any operational and organisational changes.

In light of these decisions we will not take forward any further investigation of changes to the tolling systems, such as updates to the TAG payment system or free-flow tolling.

2. What we consulted on

On 13 January, the Government launched a consultation, setting out a series of proposals designed to deliver improvements at the Crossings. This consultation ran for eight weeks until 10 March.

The Severn River Crossings are due to come back into public ownership on 8 January 2018. Once that happens, the Government proposed abolishing the higher toll prices for vans and small buses, and halving the tolls. We planned to continue to operate the TAG payment system, and we proposed that prices for season, shared or trip TAG should fall by the same proportion to provide an equivalent reduction in costs for these users.

Traffic levels were forecast to increase under our proposals. We estimated an additional increase in traffic – of around 17% by 2028 – as a result of the toll reductions. The Government has therefore been considering ways to reduce the time it takes for tolls to be collected and proposed rounding the toll prices down to a whole number of pounds to minimise the number of coins being handled in a payment or change transaction at the toll booths.

Instead of £6.70, cars and other category 1 vehicles were proposed to pay £3.00 – more than a 50% saving. Instead of £13.40, category 2 vehicles such as small buses or vans would also pay £3.00 – more than a 75% saving. Large vehicles in category 3 would also save 50%.

The previously proposed TAG price reductions are set out below in Table 2;

Table 2: TAG prices

Category	2017 toll			Consultation proposed end of concession charge		
	Season TAG	Shared TAG	Trip TAG	Season TAG	Shared TAG	Trip TAG
Category 1	£117.92	£117.92	£6.70	£52.80	£52.80	£3.00
Category 2	£235.84	N/a	£13.40	£52.80	N/a	£3.00
Category 3	£396.00	N/a	£20.00	£198.00	N/a	£10.00

The Government also set out its intent to bring forward regulatory changes to enable charges to be set at the levels proposed, inviting comments on the legislative proposals, including the draft charging order.

As part of the consultation process, we also invited views on the future of the TAG payment system and on whether to look into free-flow tolling.

The specific consultation questions

The consultation sought opinions on three proposals which were:

- **Future toll prices** –the proposal to reduce the price for car drivers by more than 50% to £3, for van drivers by more than 75% to £3 reduction of the charge for large vehicles in category 3 by 50% to £10. These changes will require regulatory changes to be introduced to change the legal status of the payment to use the Crossings. Views were therefore sought on the legislative proposals, including the draft charging order.
- **TAG scheme** –the future of the TAG payment system, which offers discounts for users after approximately 20 trips a month.
- **Free-Flow charging** –whether the Government should consider the idea of introducing two-way free-flow charging.

3. Breakdown of responses received

A wide range of organisations and individuals responded to the questions asked in the consultation:

Table 3: Total number of responses	459
Responses from individuals	428
Responses from business or other organisation	31

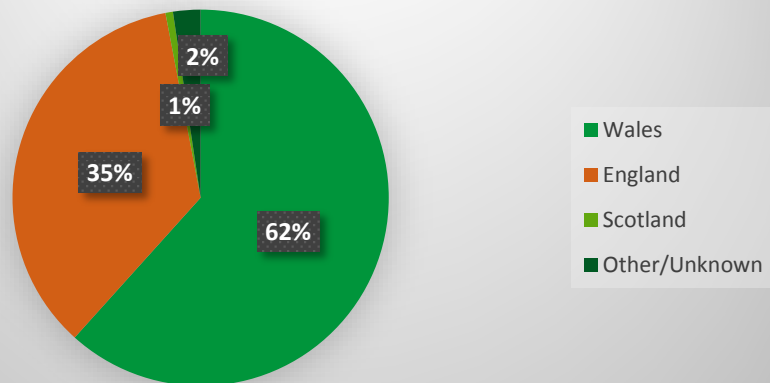
The consultation was launched on 13 January 2017 and ran for eight weeks until 10 March 2017. A total of 459 responses were received, 428 from individuals and 31 from business or other organisations. 32 responses were sent by email and 427 responses were sent in via our online response form.

Table 4 provides a breakdown of the organisation type of the 31 responses received on behalf of businesses or other organisations.

Table 4: Summary of responses received on behalf of businesses or other organisations	
Organisation type	Organisation type
Private Enterprises	8
Interest Groups	7
Central Government	1
Local Government	7
Representative Bodies	5
Other	3
Total	31

Respondents were also asked to provide details of the country that they resided in as part of their response to enable an understanding of the geographical distribution of respondents. Nearly two thirds of responses came from people who resided in Wales, with most of the rest coming from people residing in England. Chart 1 below shows the breakdown of residence of respondents.

Chart 1: Country of residence of respondents



Respondents were also asked to provide information on the purpose of their journeys over the crossings. Leisure or other personal use was the most common response, followed closely by people using the crossings for work related purposes. Chart 2 breaks down the usage into the different options.

Chart 2: Purpose of using the crossings

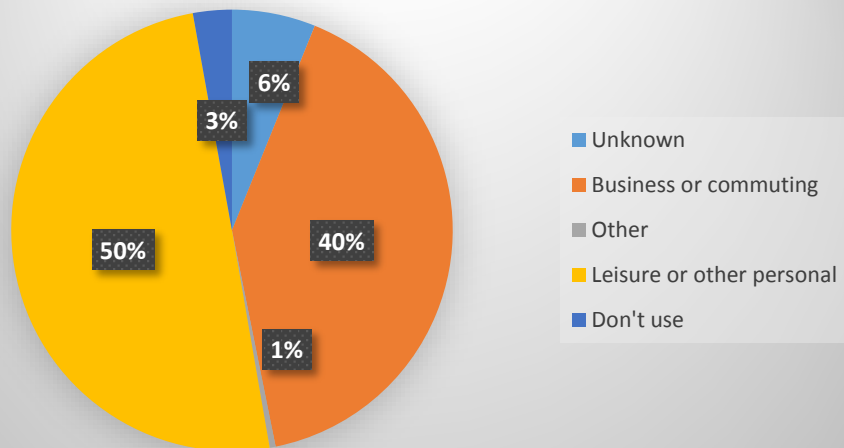
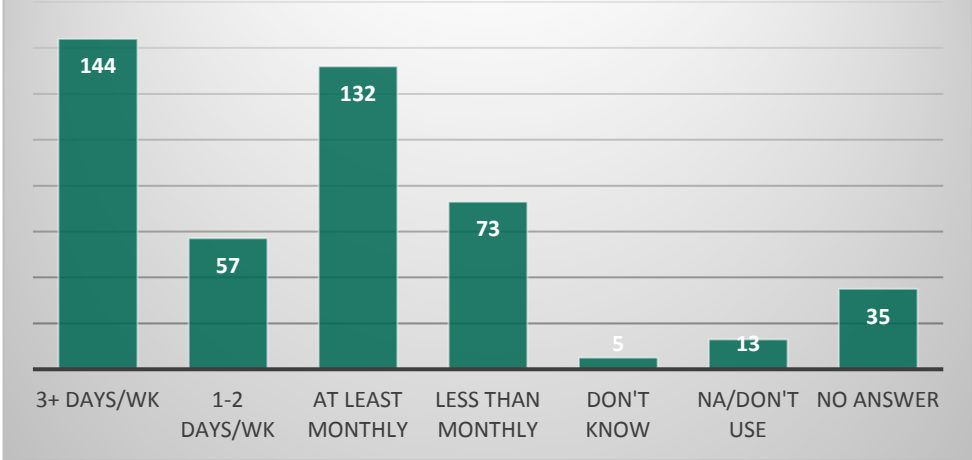


Chart 3 provides a breakdown on the frequency of usage of the crossing from respondents to the consultation. Over half of the responses stated they used the crossing on at least a weekly basis.

Chart 3: Frequency of use of Crossing



4. Summary of responses

Question 1

Do you agree with the proposed reductions in tolls?

Whilst the consultation did not ask for views on abolishing the tolls, there was a significant number of responses that called for such action alongside the majority of respondents who were broadly supportive of the consultation proposals to reduce tolling by 50%.

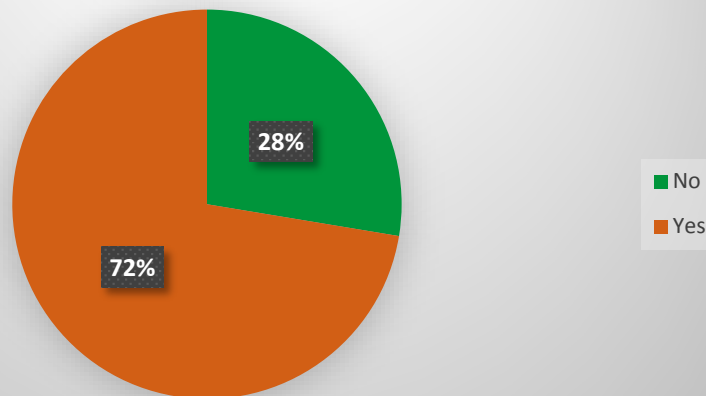
The majority of those responding, both individuals, and those representing businesses or other organisations agreed with our proposals to reduce the tolls by the amounts set out in the Consultation document. Specifically, 72% of respondents agreed with the proposal to reduce the tolls, whilst 28% disagreed with the proposal (See Chart 4 below).

However whilst the vast majority of those that agreed made no further comment, 9% of those in favour actually felt that the tolls should be reduced further or abolished completely. Another common response was that reducing the tolls would help boost the economy of the region.

Furthermore, of the 125 who disagreed with the proposal over 73% thought the tolls should be abolished or reduced further. In total therefore 27% of responses explicitly called for tolls to be reduced by more than 50%, with 54% of those against the proposal calling for their complete abolition.

A total of 93% of responses either agreed with halving tolls or going further. Only a small number, just under 5% considered the proposal to lower the tolls the wrong option to take. Some considered that the tolls should remain to help promote other, cleaner modes of transport and that the only reductions made should be for more environmentally friendly vehicles.

Chart 4: Do you agree with the proposed reductions in tolls?



Question 2

Bearing in mind the advantages and disadvantages, do you think that the government should consider the idea of introducing two-way free-flow charging?

Of the 436 people who responded with either yes or no, 60% of respondents said they were in favour of government considering free-flow or even introducing it, whilst 40% were against.

Since the decision is being made to abolish tolling completely, our investigation into the options available for free-flow at the Severn Bridges has ceased.

Question 3

If you have any specific comments on the legislative proposals, including the draft charging order, please enter them below.

We have concluded that no legal issues were identified with the draft Charging Order or the draft Statutory Instruments needed to carry on using the current vehicle categories at the Severn Crossings. Whilst some respondents provided views in response to this specific question, none of those responses made any points related to the proposed legislation itself. These have therefore been addressed elsewhere.

Question 4

If you have any views on the future of the TAG payment system, please enter them below.

Less than a quarter of the people responding to the consultation provided a response to the question regarding the operation of the TAG payment system. Table 5 below lists some of the common themes arising from those that did respond.

Table 5: Common themes provided on the future of the TAG payment system
Offer greater discounts for TAG users.
Offer discounts for TAG holders on a per trip basis.
Consider how the TAG system could offer a benefit for those who use the crossing infrequently.
Replace the TAG system e.g. introduce a free-flow system.
Consider upgrading the technology to ensure greater reliability and to minimise any delays
Increase the number of dedicated TAG lanes to encourage users to switch to TAG.
Abolish the tolls completely.
Retain the current TAG payment system exactly as it is.

As with the question on free-flow, since the decision is being made to abolish tolling completely, our investigation into the options available for the TAG payment system at the Severn Bridges has ceased.

5. Next Steps

Following publication of this response the Department will be working to make the adjustments described above to remove VAT from tolls. In practice this means replacing the existing toll with a road user charge under the Transport Act 2000, since the current legal framework does not allow tolls to be reduced. We consulted on a draft charging order. The order will be amended to make the VAT adjustments described above. The new charges will be brought in on 8 January, when the crossings transfer to public ownership. Along with that, Government will also be moving forward in the other approaches described above. These include:

- Continue work on finalising plans to abolish tolling at the end of 2018.
- Prior to implementing the new charges we will shortly be publishing notices stating where the draft order and other relevant documents may be examined further. This is to comply with the rules set out in [The Trunk Road Charging Schemes \(Bridges and Tunnels\) \(England\) Procedure Regulations 2001](#) that documents relating to a charging scheme must be available for inspection for at least 84 days. Following this we will lay before Parliament the Statutory Instruments to ensure the changes can take effect at the necessary time. The documents will be available at Highways England offices in Bristol and the Wales Office in Cardiff.
- The new charges will be advertised in advance of taking effect.