These documents relate to the Abolition of Bridge Tolls (Scotland) Bill (SP Bill 1) as introduced in the Scottish Parliament on 3 September 2007

ABOLITION OF BRIDGE TOLLS (SCOTLAND) BILL

EXPLANATORY NOTES

(AND OTHER ACCOMPANYING DOCUMENTS)

CONTENTS

1. As required under Rule 9.3 of the Parliament’s Standing Orders, the following documents are published to accompany the Abolition of Bridge Tolls (Scotland) Bill introduced in the Scottish Parliament on 3 September 2007:

   • Explanatory Notes;
   • a Financial Memorandum;
   • an Executive Statement on legislative competence; and
   • the Presiding Officer’s Statement on legislative competence.

A Policy Memorandum is printed separately as SP Bill 1–PM.
EXPLANATORY NOTES

INTRODUCTION

2. These Explanatory Notes have been prepared by the Scottish Executive in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by the Parliament.

3. The Notes should be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

THE BILL

4. The Bill takes forward a motion passed by the Scottish Parliament on 31 May 2007 to abolish the tolls on the Forth and Tay road bridges.

5. In summary, the legislation repeals in respect of the Forth and Tay road bridges the power to toll and any other statutory provision which is dependent on that power to toll or will be redundant once that power to toll is removed, and to remove in respect of the Tay Road Bridge a debt repayment deadline from the legislation.

6. The Bill also repeals legislation rendered obsolete by the expiry of the power to demand tolls on the Erskine Bridge.

COMMENTARY ON SECTIONS

7. The Bill consists of 4 sections and two schedules.

THE BILL – SECTION BY SECTION

Abolition of bridge tolls

Section 1: Forth Road Bridge

8. This section removes the ability to make and enforce tolls on the Forth Road Bridge. Subsection (1) repeals an offence-creating provision that enables penalties to be applied in respect of the failure to pay tolls. Subsection (2) repeals provisions relating to the setting and recovery of tolls on the bridge and a consequential reference to the period during which tolls may be demanded and taken.

Section 2: Tay Road Bridge

9. Paragraph (b) repeals provisions relating to the making and enforcement of tolls on the Tay Road Bridge. The other paragraphs make consequential repeals. Paragraph (a) removes the reference to toll income to be used in respect of the management of the bridge. Paragraph (c) repeals a provision relating to powers to make byelaws in respect of the collection of tolls and
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paragraph (d) removes the power of the Joint Board to make representations to the Scottish Ministers on the level of tolls.

Miscellaneous and general

Section 3: Minor and consequential amendments and repeals

10. The existing Tay Road Bridge Joint Board still has debts that have not been cleared by the toll income. Only a small element of this debt is attributable to the original construction costs of the bridge. The remainder has been incurred through borrowing to meet the costs of works. The Tay Road Bridge Order Confirmation Act 1991 requires that the Board should pay back all such borrowing by August 2016 – fifty years after the opening of the Bridge to traffic. Section 3(1) introduces schedule 1. Paragraph 1 of the schedule repeals the requirement for the Tay Road Bridge Joint Board to repay that debt by 2016. The removal of the debt deadline places the Board’s financial management regime onto a similar basis as local authorities and other joint boards.

11. Paragraph 2 is a consequential modification arising from the revocation of article 11 (power to compound for the payment of tolls) of the Forth Estuary Transport Authority Order 2002, which is revoked under schedule 2, Part 2 of this Bill.

12. Tolling on the Erskine Bridge was suspended from midnight on 31 March 2006 and ceased at midnight on 1 July 2006. Section 3(2) introduces schedule 2, Part 1 which repeals obsolete primary legislation in respect of the Erskine Bridge. None of the provisions of the Erskine Bridge Tolls Act 1968 or the Erskine Bridge Tolls Act 2001 require to be retained for the future operation of the bridge. The operation of the road (and accordingly the bridge carrying it) are covered by the regime set out in the Roads (Scotland) Act 1984, in the same way as any other road and bridge for which the Scottish Ministers are the roads authority.

13. Section 3(3) introduces schedule 2, Part 2 which revokes enactments which will be redundant in consequence of the provisions of the Bill. Though in the main the revocations relate to whole Regulations or Orders there are two specific provisions within the Forth Estuary Transport Authority Order 2002 revoked as a consequence of removing the ability to make and enforce tolls. These are article 11 (power to compound for the payment of tolls) and paragraph 2 of schedule 3 (which details vehicles exempt from tolls).

Section 4: Short title and commencement

14. Subsection (1) provides the short title, which is the name by which the Bill if enacted may be cited.

15. Section 4 comes into force on Royal Assent. The Scottish Ministers may make a commencement order bringing the remaining provisions of the Bill into force on a day they specify in the order.
FINANCIAL MEMORANDUM

INTRODUCTION

16. The Policy Memorandum which is published separately explains in detail the policy intentions of the Abolition of Bridge Tolls (Scotland) Bill. The purpose of this Financial Memorandum is to set out, as far as possible, the costs associated with the abolition of bridge tolls and the related provisions in the Bill. It should be read in conjunction with the Bill itself and the Policy Memorandum.

OVERVIEW

17. The Forth Estuary Transport Authority (FETA) and the Tay Road Bridge Joint Board (TRBJB) are independent, statutory bodies – local authority joint boards – responsible for the management, maintenance and operation of the Forth and Tay road bridges respectively. Information relating to the financing of the Boards is set out below. In broad terms they are self-financing through a mix of funding from tolling and borrowing.

18. In recent years, the Scottish Ministers have supported the capital spending programme at the Tay Road Bridge by way of capital grant payments. The grant to be paid in 2007-08 amounts to £3.75 million, and will help the Board complete the main bridge bearings replacement works. At the Forth Road Bridge, FETA has not required support funding to meet the costs of the bridge. However, Ministers are providing £24 million in grant to assist FETA in funding the upgrade of the A8000/M9 Spur, which is designed to alleviate congestion on the bridge, and provide a direct link to the strategic road network. The final element of this funding, amounting to £1.95 million, occurs in 2007-08.

FUTURE FUNDING – POLICY INTENTIONS

19. It is the Scottish Ministers’ intention to end tolling at the two bridges as soon as practicable. In doing so, it is necessary to replace lost toll income to enable the Boards to continue to meet their responsibilities for managing, maintaining and operating the bridges.

20. Ministers intend to replace the Boards’ toll income by way of direct grant funding. The level of grants paid will be based on an agreed annual business plan, and will be sufficient to enable the Boards to maintain an appropriate level of reserves in order to meet unexpected expenditure which might arise. Grant payments would contain two distinct elements:

- A revenue grant to meet the net costs of managing, maintaining and operating the bridge; and
- A capital grant sufficient to allow the Boards to meet their programmed capital expenditure plans, without recourse to borrowing.

21. Ministers will also provide, in the current financial year (2007-08), a one-off capital grant to repay the total outstanding loan debt of the Tay Road Bridge Joint Board (estimated at £14.763 million at 1 January 2008).
22. While the above describes the Scottish Ministers’ intentions with regard to grant funding, the Bill if enacted would leave the Boards’ existing borrowing powers in place, to be used in exceptional circumstances, and to provide flexibility in addressing future spending pressures. Ministers do not foresee the need for recourse to these powers in the coming Spending Review period.

**FUTURE FUNDING – LEGISLATIVE POSITION**

23. The legislative basis for providing grant funding to the bridge Boards is set out in section 70 of the Transport (Scotland) Act 2001. The actual grant levels required to manage, maintain and operate each bridge are, and will continue to be, the subject of detailed discussions and agreement between the Scottish Ministers and the two Boards, and will be set out in formal offers of grant. All grants paid under these powers are reported to the Parliament, in line with section 70(4) of the Act.

**CONSULTATION**

24. There has been extensive consultation with FETA and TRBJB, who have contributed much of the financial information on which this Memorandum is based. This information includes projections of both revenue and capital spending, and financial modelling based on a number of assumptions and scenarios. While it is the best information available at the current time, financial discussions between the Boards and the Scottish Executive will continue on detailed issues.

**CURRENT ARRANGEMENTS**

**Forth Estuary Transport Authority**

Management and operation

25. Since 1 April 2002 the management, maintenance and operation of the Forth Road Bridge has been the responsibility of the Forth Estuary Transport Authority, a local authority joint board which replaced the former Forth Road Bridge Joint Board. FETA currently has powers to develop, support and fund schemes and measures which it considers appropriate to reduce traffic congestion on the bridge and local transport infrastructure, and to encourage an increase in the use of public transport.

Financial position

26. FETA prepares and publishes annual accounts for each year to 31 March. Headline costs and revenue for the Forth Road Bridge in the most recent 2 years are shown in the following table:
These documents relate to the Abolition of Bridge Tolls (Scotland) Bill (SP Bill 1) as introduced in the Scottish Parliament on 3 September 2007

<table>
<thead>
<tr>
<th></th>
<th>2005-06 (£000)</th>
<th>2006-07 (Unaudited) (£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running costs</td>
<td>5,100</td>
<td>6,336</td>
</tr>
<tr>
<td>Non-recurring costs (i.e. capital schemes) (Note 1)</td>
<td>13,539</td>
<td>26,219</td>
</tr>
<tr>
<td>Toll income</td>
<td>11,677</td>
<td>11,871</td>
</tr>
<tr>
<td>Other income</td>
<td>146</td>
<td>118</td>
</tr>
<tr>
<td>SE Grant</td>
<td>8,081</td>
<td>13,974</td>
</tr>
</tbody>
</table>

Notes
1. Includes expenditure of £6.131m/£22.02m on the A8000/M9 Spur upgrade, part funded by Scottish Executive grant support

Debt position
27. Debts associated with the original construction of the Forth Road Bridge were repaid by the former Forth Road Bridge Joint Board in 1993-94.

Toll levels and income
28. On 1 September 1997 two-way tolling on the bridge was replaced with northbound only tolling, but the cost of a return journey, which had been in place since 1986, did not change. On 1 May 2005 the toll for cars and light goods vehicles increased from 80p to £1 per crossing.

29. The current toll levels are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Toll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars; goods vehicles not exceeding 3.5 tonnes; buses constructed or adapted to carry not more than sixteen passengers.</td>
<td>£1.00</td>
</tr>
<tr>
<td>Buses constructed or adapted to carry more than sixteen passengers</td>
<td>£1.40</td>
</tr>
<tr>
<td>Goods vehicles and tractors having a maximum weight exceeding 3.5 tonnes.</td>
<td>£2.00</td>
</tr>
<tr>
<td>Escorted vehicles</td>
<td>£26.00</td>
</tr>
</tbody>
</table>

30. Vehicles exempt from the tolls, or otherwise not required to pay include motorcycles, Blue Badge holders, vehicles exempt from Vehicle Excise Duty (including emergency services vehicles), and vehicles used for the maintenance or operation of the bridge. Exempt and zero-rated crossings made up 2.48% of all northbound vehicle crossings in the year to 31 March 2007. FETA operates a frequent user discount scheme for drivers of cars (10%) and goods vehicles (35%), but not for buses.

31. The bridge carried 11.90 million vehicle crossings northbound in the year to 31 March 2007, an increase of 0.2% on the previous year. Some 91% of these journeys are made by cars or light goods vehicle, with 6% HGVs, 1% buses and 2% exempt vehicles. Toll income for the year totalled £11.87 million.
Tay Road Bridge

Management and operation

32. The management, maintenance and operation of the Tay Road Bridge is the responsibility of the Tay Road Bridge Joint Board, under the Tay Road Bridge Order Confirmation Act 1991. The Act provides for the levying of tolls until all loan charges, and other specified payments, advanced by the Board’s constituent councils and the Scottish Executive have been repaid with interest, provided that the Scottish Ministers are satisfied that adequate provision has been made for the continued administration, management, operation, maintenance and repair of the bridge.

Financial position

33. TRBJB prepares and publishes annual accounts for each year to 31 March. Headline costs and revenue for the Tay Road Bridge in the most recent 2 years are shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>2005-06 (£000)</th>
<th>2006-07 (Unaudited) (£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Running costs</td>
<td>2,365</td>
<td>2,330</td>
</tr>
<tr>
<td>Non-recurring (i.e. capital) costs</td>
<td>4,059</td>
<td>8,947</td>
</tr>
<tr>
<td>Toll income</td>
<td>3,581</td>
<td>3,640</td>
</tr>
<tr>
<td>Other income</td>
<td>139</td>
<td>906</td>
</tr>
<tr>
<td>SE Grant</td>
<td>4,025</td>
<td>4,827</td>
</tr>
<tr>
<td>Borrowing</td>
<td>-</td>
<td>4,064</td>
</tr>
</tbody>
</table>

Debt position

34. The debt associated with the original construction of the bridge was to be repaid over a 50 year period. In addition, there have been significant capital works undertaken over the lifetime of the bridge, which have given rise to additional borrowing. This additional debt is to be repaid by the same deadline - that is, by 2016-17. Tolls income has not been sufficient to repay these loans, and more than 40% of toll revenue is currently used to repay capital and interest charges each year. At 31 March 2007 the total outstanding debt amounted to £15.422 million.

Analysis of debt by lender

- Angus Council: £0.939m
- Dundee Council: £8.418m
- Fife Council: £4.009m
- Scottish Executive: £2.056m

Analysis of debt by maturity

- Up to 12 months: £1.271m
- Between 1-2 years: £1.392m
- Between 2-5 years: £4.697m
- Between 5-10 years: £8.062m
- More than 10 years: -
Toll levels and income

35. The current tolling regime was established on 1 June 1995 when the toll for buses was increased by 60p to £1.40, to bring it into line with that at the Forth Road Bridge. Tolls for cars and goods vehicles have not increased since December 1991, when two-way tolling was replaced with southbound only tolling.

36. The current toll levels are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Toll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars, goods vehicles and tractors of less than 3.5 tonnes, and</td>
<td>80p</td>
</tr>
<tr>
<td>buses constructed for the carriage of up to 16 passengers</td>
<td></td>
</tr>
<tr>
<td>Buses constructed for the carriage of more than 16 passengers</td>
<td>£1.40</td>
</tr>
<tr>
<td>Goods vehicles and tractors greater than 3.5 tonnes</td>
<td>£2.00</td>
</tr>
</tbody>
</table>

37. Vehicles exempt from the tolls, or otherwise not required to pay include Exemptions from tolls extend to motorcycles, Blue Badge holders, vehicles exempt from Vehicle Excise Duty (including, emergency services vehicles), and vehicles used for the maintenance or operation of the bridge. Exempt and zero-rated crossings made up 4.19% of all southbound vehicle crossings in the year to 31 March 2007. Tay Road Bridge does not offer a frequent user discount to users.

38. The bridge carried 4.52 million vehicle crossings southbound in the year to 31 March 2007, an increase of 1.9% on the previous year. Some 92% of these journeys are made by cars or light goods vehicle, with 2% HGVs, 1% buses and 5% exempt vehicles. Toll income for the year totalled £3.64 million.

Scottish Executive grant support

39. In recognition of the financial pressures on the Board arising from the need to carry out major capital works, and the continuing debt position, the Scottish Executive has provided support funding in the form of capital grant in recent years. Grant was set at £2.3 million pa at the time of the last Spending Review, although Ministers subsequently agreed to an increase to help meet the costs of the bridge bearings replacement programme. In 2006-07, the grant paid amounted to £4.827 million. In the present year, it amounts to £3.75 million.

FINANCIAL IMPLICATIONS OF THE PROVISIONS

Forth Road Bridge

40. The Scottish Ministers propose to fund the Forth Estuary Transport Authority’s operations by way of grant, paid under the powers in section 70 of the Transport (Scotland) Act 2001. FETA, as the statutory body responsible for the management, maintenance and operation of the Forth Road Bridge, would continue to assess its spending requirements on a short, medium and long term basis, and set out its spending plans accordingly. Future income levels, in the form of grant, would be agreed with the Scottish Executive, and would be applied to meet the costs of the bridge operations.
41. There will be two strands to the grant payable:

- Revenue grant to meet the net running costs of managing, maintaining and operating the bridge. FETA has provided projections of running costs in the current year and for the next Spending Review period. These costs include staff, property and supply and services costs at the bridge, and cover administration, plant and equipment, traffic management, bridge maintenance and inspection works.

- Capital grant sufficient to allow the Board to meet its capital expenditure programme. FETA has provided projections of capital expenditure in the current year and for the next Spending Review period. FETA has not had to borrow funding to date, and the aim is to avoid the need for the Authority to undertake long term capital borrowing.

42. The following table summarises the estimated financial impacts of the provisions with regard to the funding of the Forth Road Bridge. One-off costs associated with the removal of tolls, as estimated by FETA, are included in these projections for the years 2007-08 and 2008-09. This includes estimates of the transitional costs of removing the tolling equipment and booths, and making changes to the road layout and signing on the northbound approach to the bridge, as well as possible costs associated with staff redundancies. These transitional costs are estimated at up to £3.5 million in 2007-08 and up to £2.0 million in 2008-09.

<table>
<thead>
<tr>
<th>Year Amount (£000)</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource</td>
<td>3,500</td>
<td>6,980</td>
<td>4,715</td>
<td>4,833</td>
</tr>
<tr>
<td>Capital</td>
<td>5,700</td>
<td>14,051</td>
<td>8,042</td>
<td>2,386</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,200</td>
<td>21,031</td>
<td>12,757</td>
<td>7,219</td>
</tr>
</tbody>
</table>

**Tay Road Bridge**

43. The Scottish Ministers propose to fund the Tay Road Bridge Joint Board’s operations by way of grant, paid under the powers in section 70 of the Transport (Scotland) Act 2001. TRBJB, as the statutory body responsible for the management, maintenance and operation of the Tay Road Bridge, would continue to assess its spending requirements on a short, medium and long term basis, and set out its spending plans accordingly. Future income levels, in the form of grant, would be agreed with the Scottish Executive, and would be applied to meet the costs of the bridge operations.

44. There will be two strands to the grant payable:

- Revenue grant to meet the net running costs of managing, maintaining and operating the bridge. TRBJB has provided projections of running costs in the current year and for the next Spending Review period. These costs include staff, property and supply and services costs at the bridge, and cover administration, plant and equipment, traffic management, bridge maintenance and inspection works.
These documents relate to the Abolition of Bridge Tolls (Scotland) Bill (SP Bill 1) as introduced in the Scottish Parliament on 3 September 2007

- Capital grant sufficient to allow the Board to meet its capital expenditure programme. TRBJB has provided projections of capital expenditure in the current year and for the next Spending Review period.

45. In addition, the Scottish Ministers propose, subject to the passing of the Bill, to provide a one-off grant payment in the current financial year to enable the Board to repay in full the outstanding loan debt held for the Tay Road Bridge. The total outstanding amounted to £15.422 million at 31 March 2007. Board officials estimate that this figure will have fallen to £14.763 million at 1 January 2008. All the Board’s debts are held by the constituent local authorities or by the Scottish Executive.

46. The following table summarises the estimated financial impacts of the provisions with regard to the funding of the Tay Road Bridge. One-off costs associated with the removal of tolls, as estimated by TRBJB, are included in these projections for the year 2007-08. This includes estimates of the transitional costs of removing the tolling equipment and booths, and making changes to the road layout and signing on the southbound approach to the bridge, as well as possible costs associated with staff redundancies. These transitional costs are estimated at up to £0.825 million in 2007-08.

<table>
<thead>
<tr>
<th>Year Amount (£000)</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource</td>
<td>850</td>
<td>1,208</td>
<td>1,235</td>
<td>1,262</td>
</tr>
<tr>
<td>Capital</td>
<td>1,537</td>
<td>7,190</td>
<td>6,625</td>
<td>2,265</td>
</tr>
<tr>
<td>Debt repaid</td>
<td>14,763</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17,150</td>
<td>8,398</td>
<td>7,860</td>
<td>3,527</td>
</tr>
</tbody>
</table>

COSTS ON THE SCOTTISH ADMINISTRATION

47. The costs set out in the previous sections will fall in full on the Scottish Executive. A summary of the estimated costs is given below:

<table>
<thead>
<tr>
<th>Year Amount (£000)</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forth</td>
<td>3,500</td>
<td>6,980</td>
<td>4,715</td>
<td>4,833</td>
</tr>
<tr>
<td>Tay</td>
<td>850</td>
<td>1,208</td>
<td>1,235</td>
<td>1,262</td>
</tr>
<tr>
<td>Total Resource</td>
<td>4,350</td>
<td>8,188</td>
<td>5,950</td>
<td>6,095</td>
</tr>
<tr>
<td>Forth</td>
<td>5,700</td>
<td>14,051</td>
<td>8,042</td>
<td>2,386</td>
</tr>
<tr>
<td>Tay</td>
<td>1,537</td>
<td>7,190</td>
<td>6,625</td>
<td>2,265</td>
</tr>
<tr>
<td>Debt repaid</td>
<td>14,763</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital</td>
<td>22,000</td>
<td>21,241</td>
<td>14,667</td>
<td>4,651</td>
</tr>
</tbody>
</table>

48. These figures are based on the broad assumptions previously discussed:

- that Ministers will fund future running costs as resource grant;
- that Ministers will fund future capital costs as capital grant;
These documents relate to the Abolition of Bridge Tolls (Scotland) Bill (SP Bill 1) as introduced in the Scottish Parliament on 3 September 2007

- that Ministers will fund the repayment of outstanding loan debt of TRBJB in 2007-08; and
- that the bridge boards will not require to undertake further capital borrowing.

49. The expenditure figures set out in this Memorandum are drawn from estimates of running and capital costs provided by the bridge boards, and discussed in detail with officers of the boards. They are based on the known costs of managing, maintaining and operating the bridges, and include the boards’ best estimates of future staffing requirements and the likely cost implications of committed or planned capital and other major works at the bridges.

50. The estimates are also provided on the assumption that tolls will end as at 1 January 2008. Any change to this date would alter the overall costs to the Scottish Administration in 2007-08: the bridges jointly collect some £1.25 million in tolls income each month. In addition, if the date of abolition were later than 1 January, more of the one-off costs identified would fall in 2008-09.

51. Overall the figures summarised above show that meeting both running costs and capital expenditure at the bridges through a combination of resource and capital grants could cost some £26.350 million in the present financial year (2007-08). The figures also indicate a further £60.792 million would be required in the following 3 years to 2010-11.

**Monitoring arrangements**

52. Arrangements will be established to allow Ministers to satisfy themselves as to the spending plans and financial arrangements of the two authorities, and to determine the levels of future grant payments.

53. Such arrangements are already in place to some extent. As statutory local authority joint boards, both authorities are subject to the normal accounting and financial management codes and standards required of all such bodies. Both produce annual accounts and reports, and are subject to external audit by Audit Scotland. More specifically, officials of the Boards and the Scottish Executive are in regular contact to discuss financial and other management matters at the bridges. Scottish Executive officials are also members of the Forth Estuary Transport Authority Management Group which advises and reports to the main Board.

54. Grant payments to the Boards are subject to an established process involving the setting of specific terms and conditions attaching to the award of grant, which must be formally accepted by the authority prior to any payment being made.

**COSTS ON LOCAL AUTHORITIES AND THE REGIONAL TRANSPORT PARTNERSHIPS**

**Short term costs**

55. The Scottish Ministers consider that there will be no material direct cost implications for local authorities arising from the proposals in this Bill, in the short term. Management
arrangements at the bridges are to remain unchanged and the bridge authorities will be funded by Scottish Executive grant. Following the ending of tolls local authorities may, as a result of monitoring changed traffic flows, consider it appropriate to introduce new or additional traffic management measures in the vicinity of the bridges. It is not possible at this stage to identify the nature and scale of such measures. However, such costs are unlikely to be material in the wider context of the costs of traffic management and the responsibilities of the councils as local roads authorities.

56. In addition, Ministers consider that there will be no additional cost implications for the Regional Transport Partnerships arising from the proposals in this Bill in the short term. The Forth Road Bridge lies wholly within the area for which SEStran has responsibility. The Tay Road Bridge lies across the border between the SEStran and TACTRAN areas.

**Longer term costs**

57. Traffic modelling carried out by independent consultants as part of the Tolled Bridges Review commissioned by the previous administration indicated that there could be significant increases in the levels of traffic using the two bridges if tolls were abolished. This finding has been confirmed by the traffic modelling undertaken by consultants Steer Davies Gleave as part of the more recent Toll Impact Study, commissioned by the Scottish Executive in September 2006, which reported in summer 2007. Increased traffic flows across the bridges are fed by additional vehicle movements across the wider local road network. Such journeys could lead to additional “wear and tear” on the network and give rise to the need for additional roads maintenance over time. In practice, however, the distribution of such journeys over the network is so wide that the cost implications of such works are likely to be insignificant in terms of the overall roads programme: expenditure on new construction, improvements and roads maintenance by local and bridge authorities in 2004-05 totalled some £380 million (Source: Scottish Transport Statistics No 25 - 2006 Edition Table 11.1).

**COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES**

58. Individuals, enterprise interests and business organisations have previously campaigned for the abolition of bridge tolls, and have generally welcomed the resolution of the Parliament to end tolls at the Forth and Tay road bridges. While there has been little more than anecdotal evidence provided in response to previous consultations on the bridge tolls, it is clear that a regular bridge commuter by car could save around £200 annually. Businesses using the bridge on a frequent basis, for example for deliveries, distribution networks etc will also benefit directly from the fact that it is no longer necessary to pay tolls. More indirectly, the decision to end tolls has been welcomed by the service industry, particularly tourist interests, who have argued that the toll saving could lead to additional business in future.

59. Against this, travellers may encounter increased journey times due to increased traffic levels on or around the bridges. The Toll Impact Study discusses the concerns which business users in particular have expressed in the past about the potential impacts of increased congestion if the tolls were to end, and estimates the possible journey time and other costs for users.

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60. Individual users appear to be less concerned on this issue, and past research has shown that many people appear to tolerate significant levels of congestion without changing their travel behaviour (Source: Centre for Transport and Society (2004) Evidence-Base Review – Attitudes to Road Pricing. Report for the Department for Transport, referencing Stopher (2004)).

SUMMARY OF COSTS

61. The overall cost to the public purse of abolishing the bridge tolls at the Forth and Tay road bridges is the annual loss of net toll income - currently some £15 million per annum. In addition, there are transitional costs relating to the removal of tolling equipment and systems, and to the costs of any staff redundancies. These costs are, as yet, unclear, but an allowance has been made in the figures for 2007-08 and 2008-09. The known financial impacts are summarised in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Resource</td>
<td>4,350</td>
<td>8,188</td>
<td>5,950</td>
<td>6,095</td>
</tr>
<tr>
<td>- Capital</td>
<td>22,000</td>
<td>21,241</td>
<td>14,667</td>
<td>4,651</td>
</tr>
<tr>
<td>Local authorities</td>
<td>de minimis</td>
<td>de minimis</td>
<td>de minimis</td>
<td>de minimis</td>
</tr>
<tr>
<td>Regional Transport Partnerships</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bridge users (savings on toll payments)</td>
<td>(3,800)</td>
<td>(15,900)</td>
<td>(15,700)</td>
<td>(15,900)</td>
</tr>
</tbody>
</table>

EXECUTIVE STATEMENT ON LEGISLATIVE COMPETENCE

62. On 3 September 2007, the Cabinet Secretary for Finance and Sustainable Growth (John Swinney MSP) made the following statement:

“In my view, the provisions of the Abolition of Bridge Tolls (Scotland) Bill would be within the legislative competence of the Scottish Parliament.”
PRESIDING OFFICER'S STATEMENT ON LEGISLATIVE COMPETENCE

63. On 28 August 2007, the Presiding Officer (Alex Fergusson MSP) made the following statement:

“In my view, the provisions of the Abolition of Bridge Tolls (Scotland) Bill would be within the legislative competence of the Scottish Parliament.”
These documents relate to the Abolition of Bridge Tolls (Scotland) Bill (SP Bill 1) as introduced in the Scottish Parliament on 3 September 2007

ABOLITION OF BRIDGE TOLLS (SCOTLAND) BILL

EXPLANATORY NOTES

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