



Llywodraeth Cymru
Welsh Government

Response of the Welsh Government to the Department for Transport's consultation document of January 2017 - 'The Severn Crossings Reducing toll prices and other issues'

The Welsh Government is not able to submit the type of detailed response to this consultation that we had hoped because of the lack of detailed information available.

Following the launch of the consultation, we requested a range of financial information from the Department for Transport together with confirmation of the methodology that was used as the basis for the traffic modelling that underpins the consultation.

We understand that a commitment was made by the Minister of State, Department for Transport, at the Westminster Hall debate on 31 January on the Severn Bridges to release further information on costs and modelling. However such information has not to date been provided to the Welsh Government.

This is particularly disappointing given that the Memorandum of Understanding between the Welsh Government and the UK Government highlights the importance of sharing the evidence base that supports decisions.

Our response to the consultation is therefore on a strategic policy level and reflects our previous statements on the future of the crossings. We reserve the right to input at a more detailed level when more detailed information is made available and exhort the UK Government to take such further input into account before deciding on arrangements for the crossings when they return to public ownership.

The Welsh Government calls on the UK Government to end tolling on the Severn Crossings when they return to public ownership. In so doing, we are mindful that removal of the tolls on their return to public ownership has been voted on and supported unanimously by the National Assembly for Wales.

The tolls represent an unacceptable, unfair tax on the economy, people and communities of South Wales and are a significant impediment to growing our relationship with South West England in order to achieve mutual benefits.

The UK Government has stated that it acknowledges the overwhelming argument for frictionless trade and that, following the UK's leaving of the European Union, it wishes to establish new trading arrangements with the union that reflects this very strong case. It would be inconsistent for the UK Government at the same time to be imposing an unnecessary friction on trade and other economic linkages between the countries of Wales and England.

There should be no question of tolling in order to pay off historic 'debt'. This is historic expenditure which the UK Government's income from VAT on the tolls during the life of the concession would have paid for many times over. The rationale for writing off the debt on the Humber Bridge but not the historic expenditure on the Crossings has not been

satisfactorily explained and makes it appear that Wales is being treated less favourably than other parts of the UK.

What therefore remains is the cost of maintaining the crossings.

We note that the UK Government's policy is to use tolling to cover the costs of maintaining estuarine crossings but do not agree there is a rationale for such a position.

Information on the estimated cost of physically maintaining the crossings in a good state of repair in the future has not been released. However information has been released giving the overall cost of operating the tolls and maintaining the bridges as £13.16 million a year for 2014. On the assumption that roughly half of this was for maintenance, we consider £6-7 million a year a relatively modest sum. Given that the UK Government's position is that the ownership of the Crossings should not transfer to the Welsh Government, their modest maintenance costs should be considered in the context of the operational budget for England's strategic road network, which was £1.072 billion in 2015/16, and absorbed accordingly by the UK Government. It does not seem reasonable to expect users to effectively pay double what is required to physically maintain the Crossings in order to cover the costs of collection.

The Welsh Government's position is that the tolls should be removed on returning to public ownership. Without prejudicing that position, it would be remiss of us not to comment on the arrangements that should be in place if the UK Government were to decide, despite the strength of our argument, to continue tolling.

If the UK Government were to insist on retaining tolls, they must not exceed the funding required to maintain the crossings in a good state of physical repair. The UK Government must honour its commitment and not use the revenue for funding other expenditure.

If the UK Government were to insist on retaining tolls, there should be no physical barriers on entry to Wales. They represent a major block for attracting businesses and visitors to Wales, both literally and culturally. Toll should also be charged in both directions of travel.

The introduction of free flow collection technology should be considered as a matter of urgency and, if introduced, its cost should be met by the UK Government and not through tolling. However, the UK Government needs to give careful consideration as to whether the cost of implementing and operating free flow technology would be proportionate to the level of revenue generated by tolling, and therefore whether it would be more proportionate to stop tolling given that retaining physical barriers should not be an option.

If the UK Government were to insist on retaining tolls it should, in the interests of openness and transparency, publish a detailed annual report on the costs of operating the crossings and the revenue generated.

The Welsh Government trusts this response, which also reflects the position of the National Assembly for Wales, will be considered carefully by the UK Government and expects

discussions to take place between the two administrations before decisions are made on the future of the Crossings on their return to public ownership.