The Committee will meet at 2.45 pm in Committee Room 6.

1. **Declaration of interests**: Charlie Gordon will be invited to declare any relevant interests.

2. **Decisions on taking business in private**: The Committee will consider whether to take agenda item 5 and any future consideration of the draft Stage 1 Report on the Abolition of Bridge Tolls (Scotland) Bill in private.

3. **Abolition of Bridge Tolls (Scotland) Bill**: The Committee will take evidence on the Bill at Stage 1 from –

   - Marjory Roger, Director, Confederation of Passenger Transport UK; Gavin Scott, Head of Policy, Freight Transport Association; Phil Flanders, Scotland & Northern Ireland Director, Road Haulage Association; and Alan Russell, Director of Scottish Chambers of Commerce and Chief Executive of Fife Chamber of Commerce;

   and then from –

   - Professor Alan McKinnon, Director of Logistics Research Centre, School of Management and Languages, Heriot-Watt University; Dr Iain Docherty, Director of MBA Programmes/Senior Lecturer, University of Glasgow; and Professor David Gray, Centre for Transport Policy, The Robert Gordon University.

4. **Subordinate Legislation**: The Committee will consider the following negative instruments –
The Water Industry Commissioner for Scotland (Dissolution)
Order 2007 (SSI 2007/399);
The Scottish Road Works Commissioner (Imposition of

5. **Budget Adviser:** The Committee will consider possible candidates for
budget adviser to assist in its consideration of the Scottish Budget.

Steve Farrell
Clerk to the Committee
Tel. 0131 348 5211
email: steve.farrell@scottish.parliament.uk
The papers for this meeting are as follows:

**Agenda Item 3**

Private briefing paper
Written evidence from the Scottish Chambers of Commerce and the Road Haulage Association

**Agenda Item 4**

Cover Note from the Clerk
*The Water Industry Commissioner for Scotland (Dissolution) Order 2007 (SSI 2007/399).*
Cover Note from the Clerk
*The Scottish Road Works Commissioner (Imposition of Penalties) Regulations 2007 (SSI 2007/411).*

**Agenda Item 5**

Private briefing paper
For Whom the Bridge Tolls

THE CASE FOR SCRAPPING TOLLS ON THE FORTH & TAY BRIDGES

"All merchants shall have safety and security .... for buying and selling free from all evil tolls”

Magna Carta 1215

Written Submission of Evidence

by

Scottish Chambers of Commerce

20 September 2007
THE CASE FOR SCRAPPING TOLLS
ON THE FORTH & TAY BRIDGES

Introduction

Scottish Chambers of Commerce presents written evidence in support of the Bill for the removal of bridge tolls in Scotland. This evidence will be reinforced in person at the forthcoming Committee meeting on Tuesday 25 September 2007.

This evidence sets out the case for removing the bridge tolls in order to bring about a more equitable and economic solution that would benefit the local, regional and national economy. The evidence is supported by the network of Chambers of Commerce in Scotland which represents over 50% of all private sector jobs in Scotland.

The Chambers of Commerce movement has been established for over 225 years in the UK and the principles of free movement of goods and services in the interests of economic and social development date back much further as noted in the opening quote from the Magna Carta in the 11th century. This principle remains a cornerstone of all commercial regulation to this day.

1. The Tolls were Temporary

The road bridge across the Firth of Forth linking Fife to Lothian opened on 4th September 1964. It is a tolled bridge. Tolls were to cease when the construction cost was paid off. This happened by May 1995, but the authorities in a series of orders had the life of the tolls extended to 1998, then 2003, and then 31 March 2006. The argument was that the income was necessary to fund maintenance. On the 1 March 2006, the Transport Minister told MSPs that he was keeping the tolls. Then on the 9 March the Minister "signed" the Order to extend the tolls for at least 4 years. This was despite widespread protests from councillors, MSPs, businesses and the public.

The toll for cars since May 2005 is 100p. Since 1 September 1997, the toll is only payable northbound (going from Lothian to Fife).

The Tay road bridge crosses the Firth of Tay from Fife on the south bank to the city of Dundee on the north bank. It opened on 18th August 1966 and is run by a joint board of Dundee (6 members), Fife (5) and Angus (1) councils.

The toll for cars is 80p. Since 1 June 1991, the toll is only payable southbound (going from Dundee to Fife). As with the Forth Road Bridge tolls were to cease when the construction costs had been met.

According to the 2004/05 accounts there were 4,471,000 crossings southbound. The total crossings figure for 2007 will be about 9.0 million.
The tolls income for the year ended 31 March 2005 was £3.6 million. Expenditure excluding refurbishment probably averages about half of the income.

Though the bridge only cost £4.8 million to build, the debt on it at 31 March 2005 was £13.1 million. In effect the original cost of the bridge must have been paid off long ago, and the debt relates to work done on the bridge since it was opened - on this basis the debt might never be paid off. There are also reserves of £2.1 million which could be used to offset losses or used for further work on the bridge. So in effect the promise to ‘cease tolls when the bridge was paid for’ has been continually reneged upon.

2. Inequality and Fairness

There are around a hundred tidal crossings in the UK, but only thirteen are tolled. Curiously a very limited number of roads are tolled:

- Bridges (a small proportion only)
- One motorway (M6 Toll)
- Some (very) minor stretches of carriageway
- Zones – at the moment this consists of one street in Durham and the Inner London Congestion charging zone

243,000 miles of other roads are free.

The tolls and the Forth and Tay impose a particular burden on the residents and businesses of Fife as they have to pay to cross both the Tay to get North and the Forth to get South. This is especially galling when the Erskine Bridge and Skye Bridge tolls have both been removed.

Successive governments claim, quite rightly, that it is the economy which is the top priority as it drives all aspects of wellbeing which we cherish in a developed economy and civilised society. The dis-benefits of tolls go beyond Tayside to affect the whole Scottish economy and act as a drag on development and prosperity.

Scotland is a country that faces challenges in competing on a global basis as we are located on the Western fringes of the European continent and we have an extensive coastline. Tolls on bridge crossings present an additional financial and psychological impediment to our economic growth and prosperity.

Removal of bridge tolls will be a significant step to enhancing the growth prospects and confidence in the local, regional and national economy.
3. Restraint of Trade

The financial gain from the bridge tolls is tiny compared to Scotland’s £26bn annual budget. Removal of the tolls would send a strong positive signal that Scotland is open for business.

At present, the residents and businesses of Fife suffer an additional cost and restraint on free trade and movement. A Fife Chamber of Commerce survey revealed that Fife businesses make on average 27,500 return journeys per week over the Tay and Forth Road Bridges. In total, Fife businesses make direct payment of tolls of £1.4 million per annum. The additional cost of deliveries to and from Fife businesses represents an estimated indirect cost in excess of £2 million.

This shows that Fife businesses have a total additional tax burden of at least £3.4 million for the privilege of using the national trunk road network – of which the Tay and Forth Road Bridges are an integral part. How do we explain to Fife businesses and Fife consumers the reasons why they should be so unfairly taxed?

4. The Congestion Myth

We are continually advised by environmental lobbyists that the tolls are an essential element for fighting congestion. However it is the tolls at Forth and Tay which cause congestion, especially at evening rush hour.

No-one currently able to cross the Forth Bridge can be sensibly diverting via the Kincardine Bridge as the delays caused by construction work will cost them far more than the £1 toll at the Forth.

Far more pollution and therefore environmental and health damage is caused by vehicles sitting in congested queues than would be caused by any slight increase in traffic caused by ending the tolls. Evidence to this effect can be found on the National Association Against Tolls (Scotland), whose website (http://www.notolls.org.uk/index.htm) gives further detail on this point, which we also endorse.

5. Bridge Tolls Paying for Roads

It appears that bridge tolls are being used to fund roads, giving a false impression that somehow the costs of running the bridges is very much higher than it actually is.

The following extract from the Forth Bridge accounts for 2005/6 illustrates how a £7.6m surplus was wiped out by a £6.1m contribution to the A8000.
<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
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<tbody>
<tr>
<td><strong>REVENUE INCOME</strong></td>
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<tr>
<td>Tolls</td>
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<td>Interest</td>
<td>852</td>
<td>807</td>
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<tr>
<td>Other</td>
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<td><strong>Total</strong></td>
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<td><strong>REVENUE EXPENDITURE</strong></td>
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<td>Bridge Maintenance</td>
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<td>Traffic Operations</td>
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<td>707</td>
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<td>Toll Collection</td>
<td>1,171</td>
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<td>Administration</td>
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<td>Consultants etc</td>
<td>332</td>
<td>364</td>
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<tr>
<td>Pensions adjustment</td>
<td>-56</td>
<td>-81</td>
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<td><strong>Total</strong></td>
<td>5,044</td>
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<td><strong>REVENUE SURPLUS for year</strong></td>
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<td><strong>CAPITAL EXPENDITURE</strong></td>
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<tr>
<td><strong>CAPITAL EXPENDITURE</strong></td>
<td>13,539</td>
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<tr>
<td><strong>CAPITAL INCOME (A8000)</strong></td>
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<td><strong>TOTAL for year</strong></td>
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<td>-1,157</td>
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<td><strong>SURPLUS B/F from previous year</strong></td>
<td>16,471</td>
<td>17,628</td>
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<td><strong>SURPLUS C/F to next year</strong></td>
<td>18,643</td>
<td>16,471</td>
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<td>* Breakdown of Capital expenditure</td>
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<td>A8000</td>
<td>6,132</td>
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<td>Main Tower Access Platform</td>
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<td>Surface Main Span South</td>
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<td>3,387</td>
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<tr>
<td>Other</td>
<td>208</td>
<td>602</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,539</td>
<td>7,117</td>
</tr>
</tbody>
</table>
6. Questionable Legitimacy

Previous litigation has called into question the legitimacy of the tolls, and this question has never been resolved. Earlier cases were ended by out of court settlements as private individuals faced with the prospect of paying all legal costs. This has restricted the debate as documented on the NAAT website.

Questions of natural justice remain on why one region is taxed in this way when others are not so taxed?

7. Economic Case

It is clear that tolls are a barrier to economic growth and should be ended at the earliest opportunity. After extensive research we cannot find one claim that tolls benefit the economy. Rather, they are bad for business, bad for employment and bad for regeneration in an area with deep rooted issues of social inclusion. In short, it is damaging for the area and for the Scottish economy.

It is time to change the situation and that means removing the tolls immediately.
Abolition of Bridge Tolls (Scotland) Bill

The Road Haulage Association is the primary trade association representing the hire-or-reward sector of the UK road freight transport industry. The association comprises 9,500 member companies, operating between them 90,000+ commercial vehicles and employing some 250,000 staff. Members’ range from single vehicle owner-drivers right through to mullet-national fleet operators.

As well as lobbying European, UK and devolved government bodies and the authorities on behalf of the membership, a major part of the association’s remit is to ensure that the road freight sector has the knowledge and ability to operate in a safe, legal, efficient and environmentally aware manner.

As a member driven organisation we have consulted with haulier members in the area and their views are reflected below.

RHA welcomes the abolition of the tolls and believe that this will benefit the Fife economy. The cost for trucks is not a major issue and although most were happy to pay, they are just as happy to not pay.

As far as freight vehicles are concerned they are not on the road for fun and there will be no increase in freight movements caused by the abolition of tolls. No freight operator will change his route to save a couple of pounds that will only cover the cost of about 4 miles worth of fuel.

There will be some freight growth due to economic activity over the next few years and due to the lack of alternative modes for most of the goods, this will lead to more truck movements. Unlike car drivers who do have choices.

The Forth Bridge will still be highly congested at peak times particularly northbound, as any regular traveller will endorse. We do have concerns that freight will continue to be treated as less important than buses and would ask that serious consideration be given to implementing a “priority vehicle lane” rather than a “bus lane”. This was a recommendation from the Transport and Local Government Committee’s Freight Inquiry last year.

However, the Tay Bridge congestion will drop at the southbound approaches in Dundee and will benefit the city with lower levels of emissions in the longer term when repairs are complete and both lanes are in use.

One issue that many do not consider is the human cost to those who will be made redundant. Many of the toll collectors have had verbal abuse since the abolition announcement and this is undeserved. These people were only doing their jobs and did it to the best of their ability.

Many other staff who will be surplus to requirements have dedicated a large part of their working life to ensuring the bridge was maintained and operated at as safe a level as possible. Their professionalism and dedication deserves recognition.
Subordinate Legislation Cover Note

<table>
<thead>
<tr>
<th>Title of Instrument</th>
<th>The Water Industry Commissioner for Scotland (Dissolution) Order 2007 (SSI 2007/399)</th>
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<td>Standing Order</td>
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</table>

Purpose

1. The purpose of this instrument is to make provision for the dissolution of the Water Industry Commissioner for Scotland which has been replaced by the Water Industry Commission under the Water Services etc. (Scotland) Act 2005.

Background

2. Information on the background and policy objective can be found in the Executive note which is attached.

Subordinate Legislation Committee Report

3. The Subordinate Legislation Committee did not have any comments to make in relation to this instrument.

Recommendation

4. The Committee is invited to consider any issues which it wishes to raise in reporting to the Parliament on this instrument.

Steve Farrell
Clerk to the Communities Committee
Tel. 0131 348 5211
email: steve.farrell@scottish.parliament.uk
TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

5th Meeting, 2007 (Session 3)

Tuesday 25 September 2007

Subordinate Legislation Cover Note

<table>
<thead>
<tr>
<th>Title of Instrument</th>
<th>The Scottish Road Works Commissioner (Imposition of Penalties) Regulations 2007 (SSI 2007/411)</th>
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<td>Standing Order</td>
<td>10.4 (Negative)</td>
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</tr>
<tr>
<td>Reporting Deadline</td>
<td>22 October 2007</td>
</tr>
</tbody>
</table>

Purpose

1. The purpose of this instrument is to make provision allowing for the imposition of penalties by the Scottish Road Works Commissioner where road works authorities and undertakers fail to comply with the duties imposed on them by sections 118 and 119 of the New Roads and Street Works Act 1991 Act respectively. These are the general duties of co-ordinating works (for road works authorities) and co-operation (for undertakers) respectively.

2. The instrument also makes provision as to the level of penalties, the payment of such penalties, notification and enforcement of penalties and appeals against the imposition of penalties.

Background

3. Section 119A of the New Roads and Street Works Act 1991 (inserted by section 25 of the Transport (Scotland) Act 2005) allows the Scottish Ministers, by regulations, to make provision for or in connection with the imposition by the Scottish Road Works Commissioner of penalties on road works authorities and undertakers who fail to comply with the duties imposed on them by sections 118 and 119 of the 1991 Act respectively. Section 118 relates to the general duty of road works authority to co-ordinate works and section 119 relates to the general duty of undertakers to co-operate. These Regulations exercise that power.

4. Further information on the policy objectives can be found in the Executive note which is attached.
Subordinate Legislation Committee Report

5. The Subordinate Legislation Committee did not have any comments to make in relation to this instrument.

Recommendation

6. The Committee is invited to consider any issues which it wishes to raise in reporting to the Parliament on this instrument.

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