



**Mersey Gateway Executive Board**

**Thursday, 23 September 2010 3.00 p.m.  
Or at the Rise of the Executive Board in  
the Marketing Suite, Municipal Building**

A handwritten signature in black ink, appearing to read 'David W R'.

**Chief Executive**

**BOARD MEMBERSHIP**

<b>Councillor Rob Polhill (Chairman)</b>	<b>Labour</b>
<b>Councillor John Stockton</b>	<b>Labour</b>
<b>Councillor Mike Wharton</b>	<b>Labour</b>

*Please contact Lynn Derbyshire on 0151 471 7389 or e-mail  
lynn.derbyshire@halton.gov.uk for further information.  
The next meeting of the Board is on Thursday, 18 November 2010*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

<b>Item No.</b>	<b>Page No.</b>
<b>1. MINUTES</b>	
<b>2. DECLARATION OF INTEREST</b>	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.	
<b>3. THE COUNCIL SUBMISSION TO THE GOVERNMENT'S SPENDING REVIEW</b>	<b>1 - 19</b>
<b>4. THE CAMPAIGN TO SUPPORT THE CASE FOR FUNDING MERSEY GATEWAY</b>	<b>20 - 34</b>

*In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.*

**REPORT TO:** Mersey Gateway Executive Board

**DATE:** 23 September 2010

**REPORTING OFFICER:** Strategic Director Environment and Economy

**SUBJECT:** The Council Submission to the Government's Spending Review

**WARDS:** All Wards

### **1.0 PURPOSE OF THE REPORT**

1.1 The coalition government has suspended its funding agreement with the Council for Mersey Gateway pending the outcome of the Comprehensive Spending Review that is due to be announced on 20 October 2010. This development was reported orally to the Mersey Gateway Executive Board at the last meeting on 13 June and this report deals with the actions taken in response to the following Board decisions made at that meeting.

1. The Mersey Gateway Team continue to develop the case for Mersey Gateway having particular regard to current Government Guidance;
2. The Mersey Gateway Team enter into further dialogue with DfT on the funding arrangements for Mersey Gateway;
3. The Council restate the economic, business and financial case for Mersey Gateway to Government; and
4. The Chief Executive, in consultation with the Leader, be authorised to take all necessary actions to progress the Mersey Gateway Project.

### **2.0 RECOMMENDATION: That**

- (1) The action taken to promote the case for the Government to part fund Mersey Gateway is noted: and
- (2) The Chief Executive, in consultation with the Leader, be authorised to take all necessary actions to progress the Mersey Gateway Project.

### **3.0 SUPPORTING INFORMATION**

3.1 The decision to suspend Mersey Gateway was conveyed a letter to the Chief Executive dated 10 June 2010 from the Head of Regional and

Local Major Transport Projects at the Department for Transport. This notification also invited the Council to make its views known by 1 July 2010 regarding the availability of alternative funding which would allow the Secretary of State to continue with the consideration of the statutory Orders and Applications. In effect this question about alternative funding was seeking to determine if the project could be delivered without a funding contribution from Government because if such a funding contribution was seen as essential then the uncertainty over the availability of this funding would need to be resolved prior to any decision to confirm the statutory powers required to deliver the project.

- 3.2 The Chief Executive, in consultation with the Leader, responded to the DfT letter on 28<sup>th</sup> June. The points made in his letter were as follows:-
- 3.2.1 Halton Borough Council (the Council) and the MG project team recognise that addressing the UK's budget deficit is the new government's priority and are supportive of this. The decision to review all major transport schemes as part of the Comprehensive Spending Review is transparent for all concerned. Our team is confident that the MG has a compelling case which aligns well to our understanding of the new Government's policy, in particular:
- The scheme has excellent local and national economic benefits and will be an essential catalyst to the economic regeneration of the region;
  - The scheme has substantial revenue generation from private users which will limit government support to approximately 30% of scheme costs, meaning high leverage on Government's money;
  - The scheme could be considered as a pathfinder project to the delivery of future infrastructure with an emphasis on 'user pays' approaches.
- 3.3 The letter went on to stress that the current funding proposals for the scheme have been developed over a number of years in close collaboration between the Council and the Department for Transport and we believe those funding proposals are robust and offer the best value for money approach.
- 3.4 However recognising the pressures on the Regional Funding Allocation, in particular, the letter advised that we have considered whether there are alternative funding arrangements which would enable the Secretary of State to continue to make his decision on the Statutory Orders for the project. The MG funding structure currently assumes an £86m (nominal) RFA award for land purchase and remediation which is separate from the proposed PFI concession for construction and operation of the new crossing.
- 3.5 The loss of the RFA component of the funding would not in our view be the most optimal approach. It would impair the timetable for the project, leading to lost benefits estimated at £2m for every month of delay. And it

would result in the public sector borrowing for an element of the project which on value for money grounds are normally met by direct grants.

- 3.6 However we acknowledge that one of the features of Mersey Gateway, which distinguishes it from all other major transport projects currently being promoted in the UK, is the high proportion of third party funding. As such our review suggests that the scheme could progress without RFA funding, if there were no alternative. There are a number of private and public sector financing options for how that could be achieved. Accordingly we do not consider that a threat to the availability of RFA funding is a reason for the Secretary of State to delay confirming the Statutory Orders for the project.
- 3.7 The Department for Transport responded to our suggestion by advising that the funding uncertainty for Mersey Gateway also covered the availability of PFI Credits and consequently Ministers would not be able to confirm any PFI Credit support for the project until the results of the Spending Review are known. Ministers were then advised by their officials that it would not be appropriate for the statutory process to continue until the outcome of the Spending Review is known. We have now been notified formally that, following the exchange of correspondence between the Council and the Department on funding issues, the Secretary of State for Transport and the Secretary of State for Communities and Local Government have decided to defer their decisions on the various applications and orders for Mersey Gateway until the funding position is clearer following the Spending Review. Government officials have also written to interested parties (in particular statutory objectors and others who gave oral evidence at the public inquiry) to update them on the position.
- 3.8 It is therefore clear that the coalition government will not make decisions on both funding and planning approvals for Mersey Gateway until the Spending Review results are available. To ensure the project benefits from an appropriate assessment the Chief Executive, in consultation with the Leader, has submitted the case for funding to the Spending Review process. A copy of the submission is attached at annex 1. The information submitted is drawn from our studies undertaken in recent years and included in the information reported to the Public Inquiry last summer. The format of the submission does however address the specific questions set by HM Treasury in the framework for the Spending Review considerations. The submission was forwarded under a covering letter stressing the merits of Mersey Gateway and the extensive support given to the project across the community. A copy of the covering letter is at annex 2.
- 3.9 To alert Ministers across the Transport team to the merits of Mersey Gateway, the Leader has also written to Mike Penning, Parliamentary Under Secretary of State for Transport responsible for major roads, in response to an answer to a written question in parliament on 5 July. Penning said he would welcome representations from the private sector

and/or local authority sponsors on providing new road capacity via private funding. This letter has not yet received a response.

- 3.10 The case submitted, along with the expressions of support from our partners and businesses (see the report on Campaign 2010) for the government to confirm its funding support for Mersey Gateway is strong. The Transport budget is however under severe pressure with cuts up to 40 percent a possibility. The government is still seeking to maintain infrastructure investment that is vital for economic growth and is looking to achieve this by adopting more innovative ways embracing private finance contributions. Mersey Gateway presents the government with a case study for delivering much needed infrastructure through a public-private funding partnership.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The Mersey Gateway project is the cornerstone for the Council economic, social, transport and urban renewal policy and programmes.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **5.1 Children and Young People in Halton**

There will be an indirect contribution to contribute to Key Objective E: To ensure that all children and young people in Halton have positive futures after school by embracing life-long learning, employment opportunities and enjoying a positive standard of living.

##### **5.2 Employment, Learning and Skills in Halton**

There will be an indirect contribution to Key Objective B: To develop a culture where learning is valued and to raise skill levels throughout the adult population and in the local workforce.

##### **5.3 A Healthy Halton**

There will be opportunities for biodiversity activities to contribute to Key Objective C: To promote a healthy living environment and lifestyles to protect the health of the public, sustain individual good health and well-being, and help prevent and efficiently manage illness.

##### **5.4 A Safer Halton**

There will be opportunities to contribute to Key Objective C: To create and sustain better neighbourhoods that are well designed, well built, well maintained, safe and valued by the people who live in them, reflecting the priorities of residents.

## 5.5 Halton's Urban Renewal

There will be opportunities to contribute to Key Objective E: To enhance, promote and celebrate the quality of the built and natural environment in Halton. Tackling the legacy of contamination and dereliction to further improve the Borough's image. In particular, in Area of Focus 12, examples of future planned activity include "Creating local nature reserves and wild spaces that support the Council's efforts to deliver urban renewal and a better quality of life in Halton". The Mersey Gateway nature reserve will be a main delivery mechanism for this Area of Focus.

## 6.0 RISK ANALYSIS

6.1 The case submitted to the Spending Review combined with the support received through the campaign launched over the summer presents the best case for securing the government's funding support for Mersey Gateway. There is a risk however that the outcome of the Spending Review to be announced on 20 October, may not deal conclusively with Mersey Gateway. The spending plans for each government department may be subject to more assessment prior to confirming priorities and any further assessment required for Mersey Gateway could embrace the coordination with the emergence of funding proposals for Local Enterprise Partnerships (LEPs) in the region. There is very little information on the funding of LEPs at this stage.

## 7.0 EQUALITY AND DIVERSITY ISSUES

7.1 Mersey Gateway provides an opportunity improve accessibility to services, education and employment for all.

## 8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
<b>Project Records</b>	<b>Mersey Gateway Project Office</b>	<b>Matthew Fearnhead</b>



Mersey Gateway  
**Submission to the  
Spending Review**





## Introduction

Mersey Gateway is an integrated transport project that will provide the vital infrastructure that is required to deliver sustainable economic growth in Halton and the north-west of England. It will relieve a source of serious congestion in the regional road network by providing a new, high-standard crossing of the river Mersey and by modifying the existing Silver Jubilee Bridge to facilitate local sustainable transport plans. The Project has been developed over many years and now forms an essential component of local and regional social and economic regeneration programmes. The Project is widely supported by businesses and public authorities across the region and is seen as a priority for investment.

This paper represents Halton Borough Council's submission to the Spending Review and to DfT's ongoing work to identify those programmes and activities which will be most effective in achieving the Government's goals.

HM Treasury has set out, in the Spending Review Framework, the criteria against which projects will be appraised as departments seek to prioritise their spending over the next four years. Should funding for Mersey Gateway be confirmed then construction would commence within two years.

This submission provides an executive summary of how the Project meets each of the Spending Review criteria and, further, how Mersey Gateway can be seen as a model for the emerging Government approach to infrastructure investment.

# How the Project meets the Spending Review criteria

## *Is the activity essential to meet Government priorities?*

**Yes**

Sustainable economic growth is vital for the Government in tackling its number one priority – reducing the deficit. Investment in key infrastructure is one of the most effective measures that can be taken towards promoting improved economic productivity.

Mersey Gateway offers just such an investment opportunity. The Project will drive economic growth in one of the most economically deprived parts of the country and is forecast to have a range of economic benefits including improved business efficiency, agglomeration benefits, greater labour accessibility, improved access to markets and trade gateways, and an increase in the region's attractiveness to inward investment (these benefits are described in further detail below in response to question 3).

## *Does the Government need to fund this activity?*

**In part, Yes**

The key points to be made on the funding package are:

- Government is being asked to provide only a proportion of the total funding for the Project (up to approximately 30%). This Government funding, under the current funding agreement with DfT (agreed in April 2006) envisages a mix of capital and revenue grant. The majority is paid as revenue grant over the operating life of the Project,

commencing in approximately late 2015 / early 2016 (under the current programme). The capital is similarly paid in instalments to fund land acquisition and necessary remediation.

- The remainder will be financed by the private sector and paid by users in tolls, with our local and regional people and businesses being the major contributors towards the cost of the crossing.
- The funding structure reflects the preference prevailing at the time the Project was granted Programme Entry status, but alternative funding arrangements exist and can be explored.
- The funding package when confirmed at final funding approval stage, will represent cost certainty for the Government as it will ensure that the whole-life cost of the Project is financed over a thirty year period, commencing with the start of construction. During this time no further funding would be required to deal with any construction cost overruns, and the maintenance and operation.
- Continuing with the toll charges after the thirty year 'concession period' would result in considerable revenue surplus, similar to the current situation at the M25 Dartford crossings.

Mersey Gateway's funding package offers a model of the role for Government funding which is envisaged in the Government's strategy for sustainable growth.

Government investment in Mersey Gateway is designed to leverage-in private sector investment while ensuring that the Project meets wider socio-economic objectives through a fair tolling regime.

Government investment will enable the Council to keep tolls to a fair and acceptable level and would avoid the risk of tolls becoming a barrier to accessibility leading to reduced Project benefits. By part funding Mersey Gateway, the Government

would optimise the contribution from the private sector without jeopardising the Project objectives. The outcome would be an equitable balance between ensuring that the Project is affordable and successful, leading to a serious bottleneck in the transport system being removed, whilst ensuring the economic and social benefits are achieved.

**Does the activity provide substantial economic value?**

**Yes**

Mersey Gateway offers a model for the economic growth driven approach to infrastructure investment which is a key part of the Government's strategy, where investment in infrastructure is widely recognised as having a strong, positive effect on the economy.

The Project is forecast to have a range of economic benefits and to have a positive impact on economic performance as a result of improvements in:

- **Business efficiency:** reducing transport and overall business costs can result in efficiency gains and potential increases in GDP. It is estimated that the total net value of the business-related travel benefits is some £222 million (2002 discounted prices).
- **Business investment and innovation:** supporting higher rates of investment and delivering economies of scale. An indication of the impact that the Project will have can be seen where inward investment has already taken place in the expectation of a new crossing being constructed. The recent investment made by the Stobart Group in the 3MG multi-modal logistics complex is a notable example. 3MG now has 750,000 sq ft of distribution sheds, with outline consent in place for 1.8 million sq ft of new buildings, rising eventually to 3.5 million sq ft of space. Tesco and Norbert Dentressangle have

taken 600,000 sq ft in the newly constructed facilities. The complex has the potential to create 5,000 jobs.

*The Silver Jubilee Bridge is a critical infrastructure link for the north west, but it is out dated and under immense pressure on a daily basis. We badly need a new crossing, and I would urge every business that uses the Silver Jubilee Bridge to write to government and show how crucial this new bridge and the associated investment are to our region.*

**Steve O'Connor,**  
**Managing Director of Stobart Ports**

- **Clusters and agglomerations:** agglomeration benefits will result from increased proximity to similar and complementary businesses and to larger labour markets, it is estimated that the Project will result in an increase in GDP of some £67 million over the normal 60-year DfT appraisal period.

Based upon in-depth analysis of where the benefits would fall within the Merseyside region, it is estimated that by 2030 businesses employing around 650,000 workers would see some improvement in their levels of connectivity to other businesses and labour markets. Of these, businesses employing almost 100,000 workers and generating GVA of around £3.2 billion per year would experience significant improvements in connectivity.

- **Labour market:** real and perceived accessibility improvements will enhance the operation of the labour market.

Analysis of the modelled improvements in journey times offset by the increased financial costs associated with the toll, suggests that by 2030 around 750,000 of the economically active

population within the region could potentially benefit from improved access to job opportunities.

Looking at this from a business perspective, the analysis suggests that businesses within the area could see the available pool of labour expand by around 1.7%.

- **Competition – improving access to suppliers and customers:** a survey of Halton based businesses shows that 31% believe that the Project will have a positive or very positive impact on the size of their market.

In line with this, detailed analysis of the transport modelling behind the scheme suggests that around 80% of businesses in the region would see a positive impact on their business-to-business connectivity, with 10% of businesses in the region seeing a substantial improvement in connectivity.

- **Domestic and international trade:** the Project will improve accessibility to major international gateways including Liverpool John Lennon Airport, the ports in Liverpool, Runcorn Docks, and Manchester Airport.



*The development of Liverpool SuperPort is transforming the City Region economy, creating over 25,000 jobs and generating £1 billion per annum in GVA. .... At its heart is not only the development of core port, airport and logistics infrastructure but more importantly the expansion of the SuperPort business community through the growth of existing organisations and new large scale investment into the SuperPort community.*

*For this transformation to succeed, and the jobs and GVA to be generated, an effective transport system is paramount – especially access for freight and to major roads and rail networks. Critical to this is the development of a new crossing of the River Mersey at Runcorn.*

**Peter Nears,**  
**Chair Liverpool SuperPort Committee**

- **Attractiveness to globally mobile activity:** the Project will improve the attractiveness of regional locations, such as Speke, to globally mobile incoming investment at a time when international trade and investment is of critical importance.

Overall, the economic impact of the Mersey Gateway on GDP is estimated to be £311 million (2002 prices) in present value terms, which is equivalent to £373 million in 2009 prices.

This economic impact is by necessity largely based upon existing DfT transport appraisal guidance which is dominated by the welfare benefits to users of the scheme, rather than an assessment of the extent to which a scheme can unlock economic growth.



These wider economic benefits could be demonstrated by adopting alternative appraisal methods which consider expanded labour markets, enhanced business-to-business connectivity, and crucially, land use change which current transport appraisal guidance does not consider. Experience suggests that the final GVA benefits of the scheme could be significantly higher than the benefits identified under standard appraisal guidance. We have noted that DfT is considering how the economic growth benefits of schemes can be taken into account in prioritising transport spending and believe that Mersey Gateway will perform strongly against any such appraisal regime.

Doing nothing is not an option and nor is continuing to ‘sweat the asset’; it will inhibit economic development and accessibility in Halton and the north-west, and will deter the investment that is essential to enable our communities to maximise their opportunities.

There will be real economic costs to continuing to rely on the ageing and below-capacity Silver Jubilee Bridge. Setting aside the ever-present real cost of congestion for a moment, the current poor network resilience means that incidents and accidents on the existing Bridge cause problems across the region with travel delays being caused on the entire regional road network. The economic cost to the north-west of a closure of the existing Bridge has been calculated at £160,000 an hour.

***Can the activity be targeted to those most in need?***  
**Yes**

Investment in Mersey Gateway will target an area where economic growth is needed most and where congestion is causing problems for people and businesses.

**The need**

Halton and the wider area, in particular Merseyside, suffer from a number of significant socio-economic difficulties. Between 1998 and 2007, the total number of jobs in Halton decreased by just under 1% to 54,400; whereas regionally and nationally employment increased by more than 9%. The recent economic downturn puts Halton and south Liverpool under extreme social and economic pressure.

There are high levels of long standing deprivation, with Halton being the 30th (out of 354) most deprived local authority district in England, based on the 2007 Indices of Deprivation. Liverpool is the most deprived. The labour market in Halton and the wider area is relatively weak overall, with low earnings, qualifications levels, and economic activity rates; there are high levels of unemployment compared to the regional and national averages.

Many of the Borough’s residents experience high levels of deprivation and poverty. Evidence shows that the gap in prosperity between the richest and poorest neighbourhoods is continuing to widen despite the efforts of the Council and its partners. Health inequalities also provide the Borough with significant challenges with all-age mortality one of the worst in the country for both men and women. The Borough also scores badly on most health statistics.

**A catalyst for social, economic and environmental regeneration**

Mersey Gateway offers a catalyst to the social, economic and environmental regeneration of Halton and the sub-region. The Project will relieve the heavily congested existing Silver Jubilee Bridge, thereby removing a constraint on local and regional development and better provide for local transport needs. There will also be social benefits associated with reducing worklessness, including better health outcomes, higher incomes and reduced levels of crime. The Project will improve accessibility and maximise local development and regional economic growth opportunities. Improved accessibility helps people find and keep work and use health and education facilities.

It will result in short, medium and long-term savings in government expenditure as employment increases, reliance on welfare falls, health improves and economic activity is boosted.

The new crossing will allow the existing Bridge to be restored to its role as the local crossing. The Bridge will be modified to provide much improved facilities for pedestrians and cyclists and to improve public transport links across the river. Improved public transport will bring benefits in areas of deprivation. The Council will encourage the increased use of cycling and walking providing opportunities to improve health and well-being.

### **Network resilience**

The need is not just socio-economic. The Borough and the region need an improvement in network resilience. A recent Bridge closure provides an example of the real consequences of the current poor resilience. The Borough and the region suffered disruption and delay when the Bridge was closed for two hours in the Friday evening peak period while the Police and emergency services dealt with an incident. Setting aside the real economic cost, which we have previously noted, the Council had to deploy its civil emergency response plans; vulnerable disabled children and special-needs adults who were unable to be taken home had to be housed in community centres and schools.

The Highways Agency has recognised the advantages that the Project brings as regards regional network resilience. The Agency has entered into a Memorandum of Understanding with the Council that expresses the Agency's support for the Project as an important addition to the transport network, where the new crossing offers an alternative route in the event of incidents or routine maintenance on the M6 motorway.

## ***How can the activity be provided at lower cost?***

The need for additional crossing capacity between Widnes and Runcorn has been recognised since the late 1980s and numerous studies since then have shown that the present proposed crossing is the lowest cost solution to the problem that satisfies the environmental constraints. The route for the new crossing makes efficient use of existing highway capacity on either side of the estuary, creating a 9km long high-standard route between the national motorway network in north Cheshire and Merseyside.

The Council is committed to getting best value in procuring Mersey Gateway and there are a number of strands to the Council's approach.

### **Procurement strategy**

The Council has developed a commercially driven approach to the private sector's role in delivering the Project. The procurement strategy, reflecting the unique revenue-generating nature of the Project, has two strands:

- to procure the new crossing infrastructure and tolling operations at best value through a design build finance and operate contract which transfers whole life cost and service delivery risk to the private sector
- to procure commercial expertise in tolling operations to secure the revenue.

The commercial support component of the procurement is designed to harness the private sector's skills and experience in maximising toll revenue, to support the Council in acting commercially, and to protect the financial interests of the public sector. This component is potentially as important as getting the most economically advantageous bids on capex and opex and will be weighted accordingly.

## Output specification

The Council will encourage private sector innovation, and its associated cost benefits, by defining its service requirements on an output basis rather than as prescriptive inputs.

## Competitive tension and market interest

The Council has actively engaged with the market to promote the Project, and to understand and foster the level of market interest. As of mid-2010, there is a very high level of market interest with a number of strong bid groups already formed. Bid groups include a number of national and European organisations with a track record of operating toll road concessions, as well as world-class contractors and designers, who can provide the necessary private sector skills and experience.

## Timing

An early decision will capitalise on the healthy market interest and attract keen pricing during the procurement process. Indeed, the cost of delaying the Project, and allowing for inflation on capex, means that each month's delay costs up to £2 million.

## Silver Jubilee Bridge

The Project offers the opportunity to put in place a long-term, sustainable funding arrangement for routine maintenance of the existing Bridge. DfT has in each of the three financial years 2008/09 to 2010/11 allocated approximately £4.5 million directly to SJB maintenance works. The Council is keen to work with DfT on developing this as part of the funding package. An early approval of the Mersey Gateway would also enable the current maintenance programme for the Bridge to be amended resulting in a saving of at least £7 million. Here it is worth noting that, as a result of the Bridge's criticality to the network, maintenance must be carried out at night or at weekends, significantly increasing the cost. The new crossing will relieve this constraint.

## *How can the activity be provided more effectively?*

The Council's approach to Mersey Gateway represents an effective solution to providing this vital infrastructure. Key strands in the Council's approach include:

- **A role for the private sector:** The involvement of the private sector in a partnership to deliver Mersey Gateway is designed to ensure on-time, on-budget delivery of this major asset as well as its effective whole-life maintenance and operation.
- **Commercial case:** the Council has developed a sound commercial strategy for managing the Council's retained risks and a sound procurement strategy which takes a rigorous approach to the private sector's role. The transfer of risk to the private sector will be moderated to ensure the Council receives best value bids.
- **Procurement strategy:** the Council's approach will procure the infrastructure and tolling operations at best value while also crucially procuring the commercial expertise to secure the toll revenue.
- **Market engagement:** the Council will continue to engage with the market to develop the most efficient delivery structure; further formal consultation will be carried out on key commercial issues, including Project structure and risk transfer.
- **Establishing a productive relationship:** the Council's contract strategy is designed to procure a high quality service where payments are matched to the results that the Council wishes to see delivered.

- **Sound Project delivery:** The Council's approach to the procurement of Mersey Gateway draws upon extensive precedent of the effective delivery of major projects in the UK, driven by an experienced in-house Project team and well-respected advisers led by a committed Project Board. The Council is confident that the Project is being taken forward in an effective and professional manner; this has been confirmed by Gateway Reviews and the level of market interest that the Project is attracting.

Notwithstanding the above, the Council is keen to work with central Government and Infrastructure UK to continue to improve the delivery model for the Project and to be at the forefront of emerging policy as regards allocating risk, other funding options and alternative procurement models.

***Can the activity be provided by a non-state provider or by citizens wholly or in partnership?***

**Yes**

The Council's strategy for the Mersey Gateway Project is based on private sector participation in providing the transport infrastructure which will drive economic growth in the Borough and in the region.

The role of the public sector, and calls on the public purse, have been minimised to that required to deliver a successful project. The Council, in consultation with its partners, will retain the authority to set tolls consistent with the commercial requirements and to sustain the continuing delivery of Project benefits. The long term success of the investment made is, therefore, locked into the delivery structure.

***Can non-state providers be paid to carry out the activity according to the results they achieve?***

**Yes**

The Council's strategy for the Project is based on procuring a high quality service from a private sector company who will operate and maintain the new crossing and its tolling facilities.

At the heart of the contract will sit the payment mechanism. The payment mechanism will match payments to the results that the Council wishes to see delivered and establish the incentives for the private sector to deliver the service.

The Council will encourage private sector innovation by defining its service requirements on an output basis rather than as prescriptive inputs. Performance measures and a performance management regime will be incorporated into the contractual regime.

***Can local bodies as opposed to central government provide the activity?***

**Yes**

Halton Borough Council is promoting the Project.

The Project has widespread regional support among public bodies, businesses and the community. The region has shown its commitment by identifying the Mersey Gateway as one of its priority projects.



The proposed funding arrangements will remove the need for any future demand for Government finance to maintain this important river crossing. This is in stark contrast to the regular bids for finance to maintain Silver Jubilee Bridge made in recent years, which are likely to escalate should Mersey Gateway not proceed.

The local community will become responsible for securing efficient transport services across this vital river crossing for the foreseeable future, and the funding proposals provide the resources that empower the community to discharge this local responsibility.

This project is backed by:





Mersey Gateway Project, Halton Borough Council, First Floor, Unit 15,  
Turnstone Business Park, Mulberry Avenue, Widnes, WA8 0WN.

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Rt Hon Philip Hammond MP  
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**Date** 13<sup>th</sup> August 2010  
**E-mail address** david.parr@halton.gov.uk

Dear Secretary of State,

### THE MERSEY GATEWAY PROJECT

I attach the Council submission to the Spending Review.

I hope you will agree, with businesses and local people, in the Region that the case for Government investment in Mersey Gateway is compelling.

This letter and the attached submission we believe makes a powerful case to include funding for the Mersey Gateway project in your Department's budget for the next four years.

It is however understood that this funding decision can only be taken as part of the Spending Review and hence we recognise the issue will not be resolved until the Chancellor's announcement on 20th October. However, we are keen that you clarify the Government's position with regard to the availability of funding for Mersey Gateway as soon as the Spending Review proposals are settled. We also recognise that any confirmation of funding support arising from the Spending Review will have appropriate conditions attached, leading up to securing Conditional Funding Approval in due course.

It would be most helpful to the project and the local economy to remove the current uncertainty caused by the suspension of preparation.

In the months leading up to the suspension of preparation in June, we worked with your officials to put in place a procurement and funding framework that will drive value for money and establish a commercial incentive for the private sector to invest and to deliver the improved services that road users and businesses expect, and where the benefits would be long lasting through the sensitive application of tolls.

The project promoters have won the argument that local road tolling is the only practicable solution, aided by the widespread view that living with the current Silver Jubilee Bridge bottleneck and deteriorating service is not an option.

The funding contribution from Government, although less than 30 percent of total funding (measured in whole life terms and assessed over thirty years), supports the delivery of the project with toll levels which are acceptable and are set at levels to protect the extensive social and economic benefits that will ensue.

cont'd ...

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Email: mersey.gateway@halton.gov.uk Web: www.merseygateway.co.uk

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The Council funding agreement with Government that was put in place when Mersey Gateway secured Programme Entry in April 2006, envisages a mix of capital and revenue grants. The mix of grant is however flexible and could be adjusted to accommodate any policy change the current Government puts in place that may be aimed at improving public finances and value for money. We have already run a number of alternative financial models and stand ready to explore alternative funding structures with your officials.

The attached submission is intended to supplement the briefing provided by your officials. It has been prepared to deal with the key questions set by the Chancellor and advises on the merits of the value for money case.

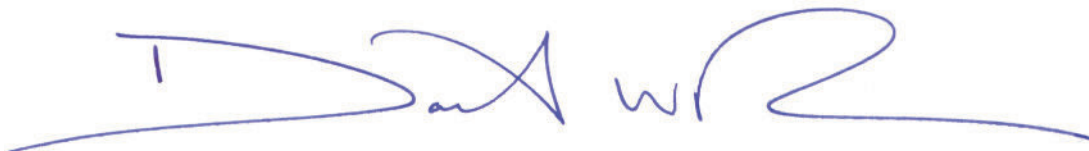
I am optimistic that when you have studied the case for Mersey Gateway you will share the view of business, politicians (from all parties) and the local community in our Region that Mersey Gateway is **a priority for investment**. Its delivery is critical to securing the economic growth potential of the Region and the new road capacity is planned alongside measures to encourage more sustainable forms of transport by using the existing Silver Jubilee Bridge as a local transport facility designed to increase walking and cycling and to improve bus links between the towns of Runcorn and Widnes.

The Mersey Gateway will also be carbon neutral in the long-term.

You will also understand that business, the Council and the local community are looking forward to a decision on funding, to be followed quickly by a decision on the Orders, to enable preparation to get back on track enabling construction to commence within two years, bringing with it much needed employment and economic growth in one of the country's most challenged communities.

I and my experienced team are available to provide any further assistance you may require.

Yours sincerely,



David Parr  
Chief Executive

Att.

cc: Rt Hon George Osborne MP, Chancellor of the Exchequer  
Rt Hon Danny Alexander MP, Chief Secretary to the Treasury

**REPORT TO:** Mersey Gateway Executive Board

**DATE:** 23<sup>rd</sup> September 2010

**REPORTING OFFICER:** Strategic Director – Environment and Economy

**SUBJECT:** The Campaign to support the case for funding Mersey Gateway.

**WARDS:** All

### **1.0 PURPOSE OF THE REPORT**

- 1.1 At the last meeting of the Mersey Gateway Executive Board on 13 June 2010 the Mersey Gateway Team were instructed to continue to seek the positive and proactive support of businesses, politicians, other partners, the media and the public for Mersey Gateway. The resulting evidence of widespread support across the region would bolster the case for the government to confirm its funding contribution for Mersey Gateway as part of the Spending Review to be undertaken this autumn. This report explains the action taken since June, leading to the submission of the case for funding Mersey Gateway now with government.

### **2.0 RECOMMENDATION: That**

- (1) The Mersey Gateway Team continues to seek the positive and proactive support of businesses, politicians, other partners, the media and the public for Mersey Gateway.

### **3.0 SUPPORTING INFORMATION**

- 3.1 Following the suspension of the Council agreement with government to part fund Mersey Gateway, the Mersey Gateway Officer Project Board (OPB) instructed that the project team should give higher priority to its ongoing work with partners and supporters, in order to maintain the high profile nature of the project, and ensure that Ministers in the new coalition government are aware of the broad support for Mersey Gateway across the private and public sectors throughout the north west. As such, a proportion of the proposed budget for the 2010/2011 financial year was dedicated to these tasks. The project team are referring to this area of work as 'Campaign 2010.'
- 3.2 A number of interest groups were targeted and the focus of these tasks can be divided into the following areas:

### **3.9 Media:**

- 3.9.1 Following discussions with and briefings from the Mersey Gateway team, the Runcorn and Widnes Weekly news has set up its own campaign asking people to sign up to 'Back the Bridge.' As well as running regular articles highlighting the need for the new bridge, the paper encouraged members of the public to show their support for the project by either signing up online at [www.backthebridge.com](http://www.backthebridge.com) or through one of the Halton Direct Links. To date there have been a total of 2252 people signing up to support the project, which was also publicly backed by Derek Twigg MP and Graham Evans MP. These names and this demonstration of support have now been submitted to government by the paper as part of the Spending Review.
- 3.9.2 The Mersey Gateway breakfast briefing, which took place on 14<sup>th</sup> July, secured significant broadcast and print coverage on North West Tonight, BBC Breakfast, BBC Radio Merseyside, Liverpool Daily Post and Echo, Runcorn and Widnes Weekly News and Wire FM.
- 3.9.3 The project has achieved significant coverage in the professional, trade and financial media and on relevant major project/infrastructure websites. Planning, NCE, Infranews, Property Investor News, Surveyor, and Partnerships Bulletin, all ran positive coverage on the future of the project showcasing its broad support and the fact that submissions in its support were being made to government as part of the CSR process.
- 3.9.3 Coverage across the media has prominently featured quotes and support from private sector supporters such as the Stobart Group and Peel Ports.
- 3.9.4 The Financial Times has shown an interest in preparing a feature for the project that is expected to explore the innovative funding proposals. The project communication consultant DTW are liaising with the FT and any developments will be reported to members.

### **3.10 Public/Businesses:**

- 3.10.1 In support of the Weekly News 'Back the Bridge' Campaign, Liverpool John Lennon Airport circulated details of the campaign on its enews update to the 100,000 people on its mailing list. Other partners indicated they were keen to promote this campaign to staff and visitors and the project has cascaded materials to allow them to do this.
- 3.10.2 Businesses and other public sector supporters have been asked to show their support by writing to Rt Hon Philip Hammond MP. Letters were issued to potential supporters on Friday 25 June asking them to take action.
- 3.10.3 The project is so far aware of 8 organisations that have expressed their support in this way, namely:

- Mersey Maritime
- James Troop (Marine Engineers)
- Councillor Dave Austin
- Peel Airports
- Halton Conservatives
- Halton Chamber of Commerce
- BAM/Cintra – BAM Nuttall / Ferrovia Agroman Joint Venture
- Liverpool Superport Committee

3.10.4 Around 40 businesses and partner organisations attended the breakfast briefing event on 14 July. Follow-up letters and supporting materials have been issued to all supporters after this event, and a number of follow-up meetings were arranged, e.g. with Halton Chamber of Commerce and Liverpool Vision to cement relationships and support.

3.10.5 Liverpool Vision is consulting its partners before sending its response to government over the next two weeks.

### **3.11 Political Support:**

3.11.1 Both MPs within the borough, Graham Evans MP and Derek Twigg MP, have publicly reinstated their backing for the project. Derek Twigg MP and supporters also canvassed the general public in Widnes on the 7<sup>th</sup> August and was able to get over 500 signatures in support of the project.

3.11.2 All Cheshire and Merseyside MPs have been asked to show their support by writing to Rt Hon Philip Hammond MP and Rt Hon Danny Alexander MP. To date, we have received letters of support from the Leader and Portfolio holder for transport at Warrington Borough Council as well as a letter of support from Cheshire West and Chester.

3.11.3 To date we have received 1 response from a local MP, Luciana Berger, confirming she is supporting the campaign in this way. In addition to this, Halton MP Derek Twigg is continuing to ask questions and promote the campaign within parliament, and Hazel Blears MP and David Mowat MP both expressed support for the project during a parliamentary debate on the north west economy on Tuesday 20 July.

3.11.4 A briefing note has been provided for regional MPs giving them 'at a glance' details about the project.

3.11.5 The Transport Select Committee questioned Transport Secretary Rt Hon Philip Hammond MP about his plans and priorities on 26 July. Committee Chair Louise Ellman MP and John Leech MP were provided with project briefing notes ahead of this session.



- 3.11.6 Louise Ellman MP met with Steve Nicholson on 2 September specifically to get a briefing update on the Mersey Gateway project.
- 3.11.7 The project team is liaising with House of Commons All-Party Infrastructure Group with a view to delivering a briefing for it when it reconstitutes (likely to September 2010).
- 3.11.8 The project will again have a presence at all three party political conferences, which will provide a significant opportunity for the project team, with visible support from political figures from all parties within Halton and from neighbouring authorities, to showcase the project and stress its importance to ministers, MPs and officials from all parties.

### **3.12 Briefing Materials:**

- 3.12.1 A number of briefing and information documents have been created and distributed among supporters and other interested parties. These include updated project information leaflets and specific documents surrounding the case for the Mersey Gateway. These documents can be found in Appendix 1 attached.

## **4.0 POLICY IMPLICATIONS**

- 4.1 The project is a key priority for the Council which will deliver benefits locally and across the wider region.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **5.1 Children and Young People in Halton**

The project is a key priority for the Council which will deliver benefits locally and across the wider region.

### **5.2 Employment, Learning and Skills in Halton**

The project is a key priority for the Council which will deliver benefits locally and across the wider region.

### **5.3 A Healthy Halton**

The project is a key priority for the Council which will deliver benefits locally and across the wider region.

### **5.4 A Safer Halton**

The project is a key priority for the Council which will deliver benefits locally and across the wider region.

### **5.5 Halton's Urban Renewal**

The project is a key priority for the Council which will deliver benefits locally and across the wider region.

## **6.0 RISK ANALYSIS**

6.1 The focus on the publicity and communications including lobbying aspects has meant that some of the procurement preparation tasks have not been undertaken due to the decision to operate a constrained budget up to the announcement of the Spending Review next month.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
<b>Project Records</b>	<b>Mersey Gateway Project Office</b>	<b>Matthew Fearnhead</b>



# The case for Mersey Gateway

The Mersey Gateway Project is a unique opportunity to deliver a major infrastructure project that will remove the bottleneck at Silver Jubilee Bridge, lead to improved transport services that will transform our regional economy and deliver major economic, social, travel and environmental benefits to England's north west.

The government has announced it is reviewing all major transport schemes across the country, including Mersey Gateway, as part of its Comprehensive Spending Review (CSR).

This document shows how the project meets the spending review criteria and explains how the funding proposals are compatible with the coalition Government's budget deficit reduction plans – and present an excellent return on investment for the public purse.

## Making our case

This is a key moment in the 20-year development of this unique project.

We understand the Government's commitment to cut the budget deficit, and the decision to review all major transport schemes as part of the Comprehensive Spending Review is a logical one. We believe that Mersey Gateway stands up well to this scrutiny and we have a compelling case to ensure that any delay is minimised and we can move to construction within two years of receiving Government approval.

For the new Government to deliver on the pledges laid out in its Programme for Government, it must support major infrastructure projects like Mersey Gateway which are affordable, bring major environmental benefits and will provide crucial long term benefits for the regional economy.

We've worked hard on our funding proposal to deliver a project that is over 70% funded by the private sector. This is an excellent investment for the Government.

This document sets out our case against the CSR criteria. We believe there is a very powerful, very strong and clear case for Mersey Gateway and are looking forward to working with the Government to take the next step towards making this happen.



**Cllr Rob Polhill**  
Leader, Halton Borough Council

# Delivering on Government priorities

The Government's Spending Review Framework, published on 8 June 2010, outlines a set of specific criteria against which all Government spending will be assessed. The Mersey Gateway Project performs well against these key criteria AND supports the Government's objectives.

## Is the activity essential to meet Government priorities?

Yes. Mersey Gateway will not only solve major congestion and connectivity issues, but will be the catalyst for kick-starting private sector led regeneration and economic development, creating over 4,000 new jobs and linking the economies of England's north west and north Wales.

Mersey Gateway is a modern sustainable transport project based on providing new highway capacity to remove a bottleneck at the Silver Jubilee Bridge. The users of the improved services would contribute to the cost of the new infrastructure. The charging regime also provides a basis for keeping the new crossing free from congestion for the foreseeable future. By relieving the existing Silver Jubilee Bridge of through traffic, it can be modified to cater for local public transport, cycling and walking.

The sustainable transport package is designed to deliver benefits across all travel modes using road user charging as a funding device for improved public transport services. This will encourage local people to use sustainable alternatives to the car, particularly for shorter journeys.

Overall the project reduces carbon emissions due to the efficient use of roads and the fact that there would be fewer local car journeys. Mersey Gateway will enable the transport system to be greener and more sustainable than it is now. At present the current severely congested road crossing and excessive traffic has removed effective facilities for buses, cyclists and walkers.

To ensure that Mersey Gateway is affordable it maximises the potential for private sector funding through a road user charging funding regime. This is very much in line with the coalition Government's programme to deliver infrastructure with minimal reliance on public finances. The fact that Mersey Gateway complements the actions required to reduce the budget deficit is a significant factor in the case for confirming Mersey Gateway.

In total the project will require an investment of around £600m backed up by additional funding to deal with maintenance and operation throughout its life.

The project's innovative funding model – which requires at a maximum 30% of funding from the public purse – is sufficient to cover all the costs throughout the construction and service life of the new crossing.

The proposed investment in Mersey Gateway makes sense and is compatible with Government's aim to deal with the budget deficit, especially when compared with the alternative 'make do and mend' strategy of keeping the Silver Jubilee Bridge open to excessive traffic demand for the foreseeable future. This option would result in a continuous and uncertain drain on transport budgets.

## Does the Government need to fund the activity?

Although the majority of funding is from private investment the contribution from the Government supports the project in achieving its economic and social objectives. In the long term the contribution from the Government could be reduced further should toll revenue exceed the levels assumed in the proposed funding package.

## Does the activity provide substantial economic value?

Yes. The Mersey Gateway Project's benefit to cost ratio has been scrutinised over many years and remains in the high category of economic return when assessed against the Department for

Transport's criteria. It is standard practice to evaluate the return on public investment over sixty years where infrastructure has a long service life. Over this time the net cost to the public purse is likely to be nil, providing further evidence that Mersey Gateway is exceptional value for money.

### Can the activity be targeted to those most in need?

Yes. The Mersey Gateway Project is the catalyst for driving social, economic and environmental regeneration. Through better connectivity, more consistent journey times and improved accessibility, combined with a much improved physical urban environment, Halton will become a better place to live and work, and to invest.

The existing Silver Jubilee Bridge carries over thirty million trips every year and the new crossing will have a major positive impact for many years on travel times, access to employment opportunities, and links to future economic development for millions of people living in the North West of England and North Wales.

The project's area of influence includes a number of the UK's most deprived communities and the benefits would counter risks of continued deprivation, poverty and inequality associated with the sub-optimal performance of the Silver Jubilee Bridge in Halton and the sub region. The funding package provides for the mitigation of tolling on vulnerable groups by offering improved transport choice, through the sustainable transport strategy and toll discounts.

### How can the activity be provided at lower cost?

The existing Silver Jubilee Bridge has been improved to its maximum capacity and has been failing to cope with demand for many years. Providing new road capacity at this location is the only effective solution. The scheme and funding structure have been designed to deliver the infrastructure improvements at minimum cost to the public purse, whilst ensuring that the economic and social benefits are secured. The proposed procurement process, developed in consultation with Department for Transport officials, would drive value for money in a very competitive market for construction works. An early approval



would reduce the risk of costs increasing due to inflation as every month of delay will add to the outturn cost. The project is well placed to embrace any revised proposals for securing project finance at improved value for money that may emerge in the new policy of the coalition Government.

### How can the activity be provided more effectively?

The procurement strategy would enable the private sector to manage risk appropriately with a strong commercial incentive to deliver the project to time and budget. The output service specification combined with tolling would ensure that road users benefit from a high level of customer service at value for money for the foreseeable future.

### Can the activity be provided by a non-state provider or by citizens, wholly or in partnership?

Yes. The Mersey Gateway is fully in line with the new Government's desire to move public activities where appropriate into private or partnership-based provision. The project will be taken forward under a Public-Private Partnership contract and will result in a private company designing, constructing and maintaining the Mersey Gateway, and managing the operation of both the Mersey Gateway and the Silver Jubilee Bridge. There may also be scope for the private sector to take a more proactive role in commercial decisions relating to the operation of the crossings, and the majority of the funding will come from private road users who benefit from the investment being made. The public sector

will merely be involved in setting its requirements and overseeing the delivery and operation of the improved services.

### Can non-state providers be paid to carry out the activity according to the results they achieve?

The procurement strategy is focussed on the principle that the private sector delivery partner, 'the Concessionaire' would be paid based on the availability of the infrastructure and the quality of service provided. The service specification will ensure that project benefits are realised when payments are made.

### Can local bodies as opposed to central government provide the activity?

Yes. The local authority, Halton Borough Council, is leading this project (with the support of local authorities and businesses across Cheshire and Merseyside) and will be responsible for delivering it alongside the Concessionaire. Central Government's key role is to support the project funding. Once the Mersey Gateway Project is established the local community would, for the foreseeable future, be empowered to fund and administer the operation and maintenance of the Mersey Gateway without drawing on further financial support from central Government. Such financial autonomy to Halton and the local community is in marked contrast to the current situation where the maintenance of the existing Silver Jubilee Bridge is funded annually through central government grants.



# Delivering major benefits

The Mersey Gateway Project is a major project to build a new toll bridge over the River Mersey in the borough of Halton, between the towns of Runcorn and Widnes.

The project will bring huge benefits for people and businesses across the North West. This includes:

- Increased journey time reliability
- Increased network resilience and civil contingencies
- A major strategic new transport route linking the Liverpool city-region and the North West to Cheshire, north Wales and the rest of the country
- 4,640 new jobs across the region
- Generation of an estimated £61.9million a year in Gross Value Added from the new jobs by 2030.
- In the long term the project could result in a net income rather than a cost to the Exchequer.

It will also support sustained growth at Liverpool Ports and Liverpool John Lennon Airport.

The project is backed by:



## Further information

Mersey Gateway Project,  
 Halton Borough Council,  
 First Floor,  
 Unit 15, Turnstone Business Park,  
 Mulberry Avenue,  
 Widnes WA8 0WN  
**w: merseygateway.co.uk**  
**t: 0151 495 4091**  
**e: mersey.gateway@halton.gov.uk**



# A bridge to **prosperity**

The Mersey Gateway Project is a major project to build a new toll bridge over the River Mersey in the Borough of Halton, between the towns of Runcorn and Widnes.

The project team is aiming to secure planning approval from government as soon as possible.

# Moving forward

There is no doubt that Mersey Gateway is a significant project requiring capital investment of around £600m. Halton Borough Council, supported by its partners north and south of the Mersey, has taken the initiative in recognizing that delivering the project through a tolling strategy is the only practicable investment option. The local empowerment that funding through tolling invites has now received widespread support across Halton and the region – as evidenced in the low key public inquiry held last summer. The current funding proposals, which are being reviewed by new Ministers, would result in the public sector meeting less than a third of the project cost, with the remainder being funded by the users of the crossing through the tolls paid.

This high value for money approach is vital in the context of managing the national budget deficit and securing a good deal for the public purse. Tolling also helps the Council to manage future traffic levels resulting in an overall reduction in carbon emissions. The funding package also allows the existing Silver Jubilee Bridge to be modified to give priority to public transport, cycling and walking, all of which are compromised by the current congested conditions. Mersey Gateway has developed into a sustainable solution to an acute problem.

The Mersey Gateway Project is vital for the north west and has cross party support across the region.

We must take this chance – doing nothing is not an option.



**David Parr**

Chief Executive  
Halton Borough Council



# Regional importance

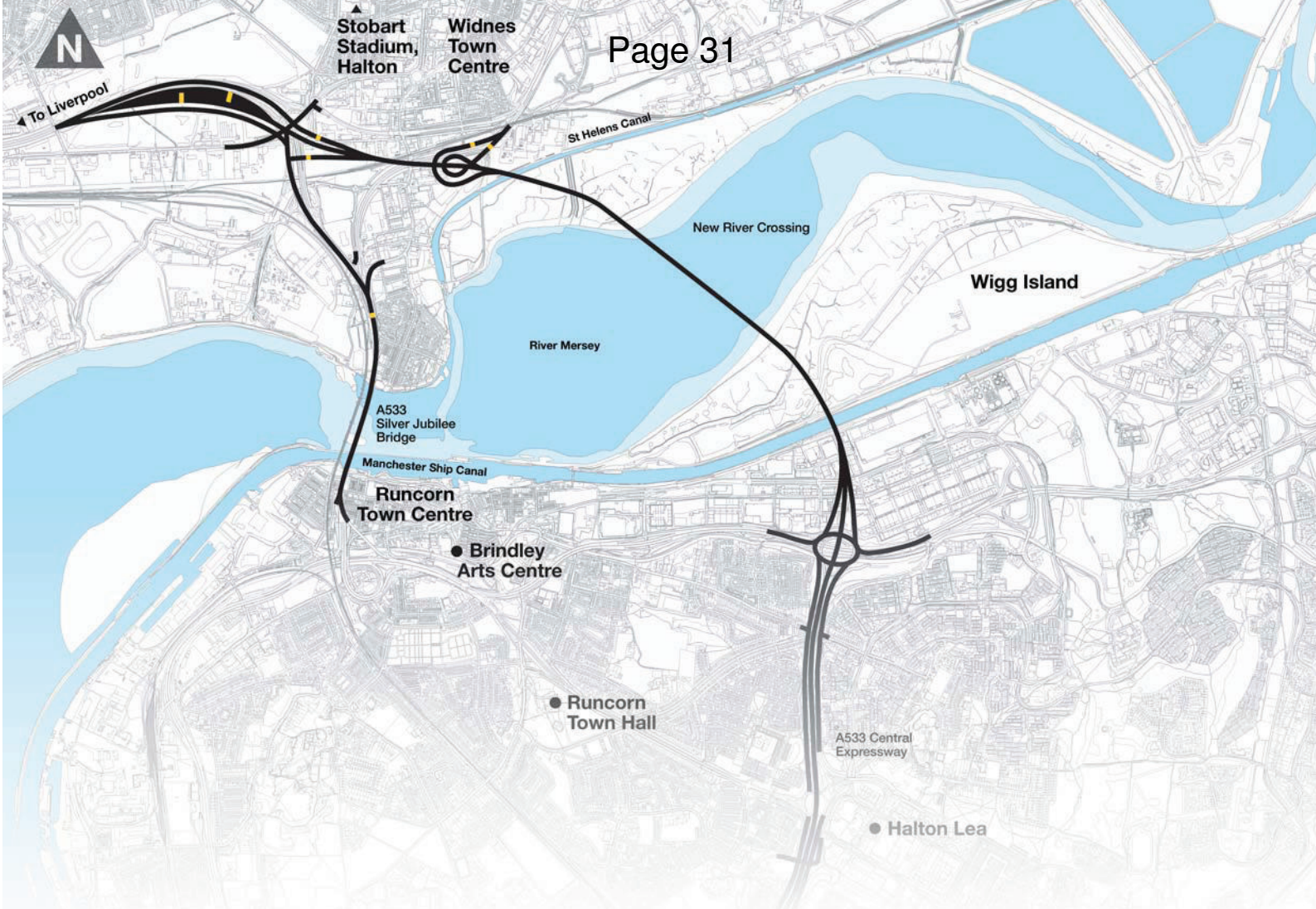
The current river crossing in Halton – the Silver Jubilee Bridge – is a major infrastructure and access route for people and businesses travelling across the north west and between the region and north Wales.

The route carries over 80,000 vehicles every working day and the bridge and approach roads have been improved to their maximum. Traffic demand regularly exceeds the capacity of Silver Jubilee Bridge and routine maintenance works often result in gridlock conditions over a wide area of the regions road network. Only 20% of traffic crossing the bridge starts and finishes its journey within Halton highlighting the SJB's position as a crucial transport gateway for the Liverpool city-region and north Cheshire. For several years this vital regional link has been under intense pressure and the call for a new crossing has near unanimous support across the region's community and local government.

Strategic initiatives to support sustainable economic growth across the sub-region all identify weaknesses in connectivity, in particular insufficient capacity in the road network around Halton.







The Mersey Gateway Project will transform road transport by relieving the SJB bottleneck with a modern high standard crossing that will be congestion free for the next forty years and more. Establishing reliable and reduced journey times in this strategic corridor is essential to encourage continued investment and regeneration across the wider region. The Mersey Gateway Project is a unique opportunity to provide a kick-start to the stalled regional economy and deliver transport, economic and social benefits across the north west.

The Council and our partners are bringing forward regeneration initiatives anticipating the delivery of Mersey Gateway and building on the emerging knowledge based industries in Daresbury, and south Liverpool, linked to the Liverpool Super Port and motorway corridor between Manchester and Liverpool Airports. Economic recovery with inadequate infrastructure seems a forlorn prospect.

### In addition to the new bridge, the project includes or facilitates:

- improving regional transport links to encourage new and inward investment
- plans to kick start a major 20-year regeneration programme for Halton and the wider region
- plans to develop and integrate public transport, cycle and pedestrian links across Halton, and
- road user charges on the existing Silver Jubilee Bridge between the two towns.





## Benefits

The project will bring huge benefits for people and businesses across the north west. This includes:

- Increased journey time reliability
- Increased network resilience and civil contingencies
- A major strategic new transport route linking the Liverpool city-region and the north west to the rest of the country
- 4,640 new jobs across the region
- Generation of an estimated £61.9million a year in Gross Value Added from the new jobs by 2030.

It will also support sustained growth at Liverpool Ports and Liverpool John Lennon Airport.

## Tolling

Under the project proposals, both the new bridge and the existing Silver Jubilee Bridge will be subject to tolls/charges. The exact toll/charge levels are still to be determined but they are likely to be similar to the cost of travelling through one of the Mersey Tunnels.

The project team is actively investigating the best way to provide discounts to groups like local people and regular users.



## The project is backed by:



## Further information



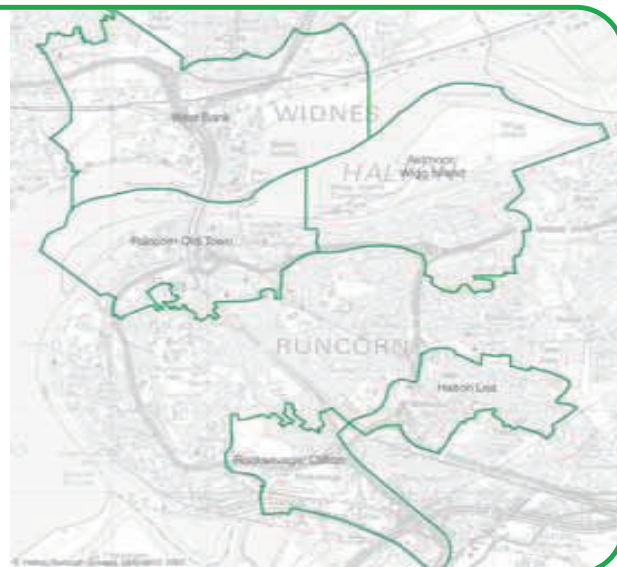
Mersey Gateway Project, Halton Borough Council, First Floor, Unit 15, Turnstone Business Park, Mulberry Avenue, Widnes WA8 0WN

**w:** merseygateway.co.uk **t:** 0151 495 4091 **e:** mersey.gateway@halton.gov.uk

## Regeneration areas

The Mersey Gateway Project is a unique opportunity to kick-start a long-term regeneration programme in Halton and to provide essential support for the delivery of economic growth across the region. The communities to benefit are some of the most deprived areas in England. The local regeneration strategy covers five of the borough's most deprived areas (see map right). It spreads across 20sqkm and provides a bold and challenging 20-year vision for regeneration in Halton.

Across the region, Mersey Gateway is seen as a transformational project that will drive economic recovery and in particular support expansion at Liverpool Ports and Liverpool John Lennon Airport.



## Sustainable transport

A long-term, sustainable transport strategy has been commissioned to identify alternative means of transport not subject to tolls to ensure that accessibility and links across Halton are maintained. The proposed options, which will be partly funded by toll revenue, include:

- a green sustainable transport corridor across SJB
- enhancement of borough-wide walking and cycling facilities
- improvements to the Runcorn Busway
- branding of popular bus routes
- a 'smart card' ticketing system for all forms of transport
- reviewing bus stop locations to link services more effectively, and
- expanding real-time information displays at bus stops.

## Tolling

Under the project proposals, both the new bridge and the existing Silver Jubilee Bridge will be subject to tolls/charges. The exact toll/charge levels are still to be determined but they are likely to be similar to the cost of travelling through one of the Mersey Tunnels.

The project team is actively investigating the best way to provide discounts to groups like local people and regular users.

Although it is not practical to confirm exactly what opening toll/charge levels will be at this stage, the proposed funding structure includes a significant sum to subsidise revenue, which will help to reduce tolls/charges.

## Environmental

The Mersey Gateway, embracing the elegant cable stay design, is a 'green' project that will bring major environmental benefits to the local area, including a new 28.5 hectare nature reserve around the bridge.

This new nature reserve will protect the local environment over the next 30 years. A new charity - the Mersey Gateway Environmental Trust - will be created to manage it.

These plans will ensure that the Mersey Estuary and local wildlife are protected. Other health and environmental issues are also being addressed to minimise the overall impact of the new crossing and maximise the benefits.

## Costs and funding

The total projected outturn cost of the Mersey Gateway is around £600 million.

The majority of funding comes from the tolls paid by road users. A government funding package for the project agreed back in 2006 is subject to review as part of the Comprehensive Spending Review which will take place in autumn 2010.

Should this be confirmed, central government would provide funding of £86 million plus Private Finance Initiative (PFI) credit, which would supplement toll revenue, with the remainder being raised through private finance. In overall terms, the private sector through the tolling charges is funding over 70% of the project.

The latest economic estimates show the economic benefits the project would bring to Halton and the surrounding areas are almost four times greater than its cost.

## Timetable

Subject to government approval in the autumn of 2010, the new bridge is scheduled to open in late 2015, but before that happens, there are a number of important key stages along the way.

Government approval

Commence the procurement process where the Council invites expressions of interest from the private sector for a Design, Build, Finance and Operation contract (OJEU notice)

Award contract to successful private sector partner

Three year construction process

Bridge opens

Mersey Gateway Project, Halton Borough Council, First Floor, Unit 15, Turnstone Business Park, Mulberry Avenue, Widnes, WA8 0WN.

w: merseygateway.co.uk t: 0151 495 4091 e: mersey.gateway@halton.gov.uk



# A bridge to prosperity



The Mersey Gateway Project is a major scheme to build a new six lane toll bridge over the Mersey between the towns of Runcorn and Widnes that will relieve the congested and aging Silver Jubilee Bridge.

The project team is aiming to secure planning approval from government at the earliest opportunity.

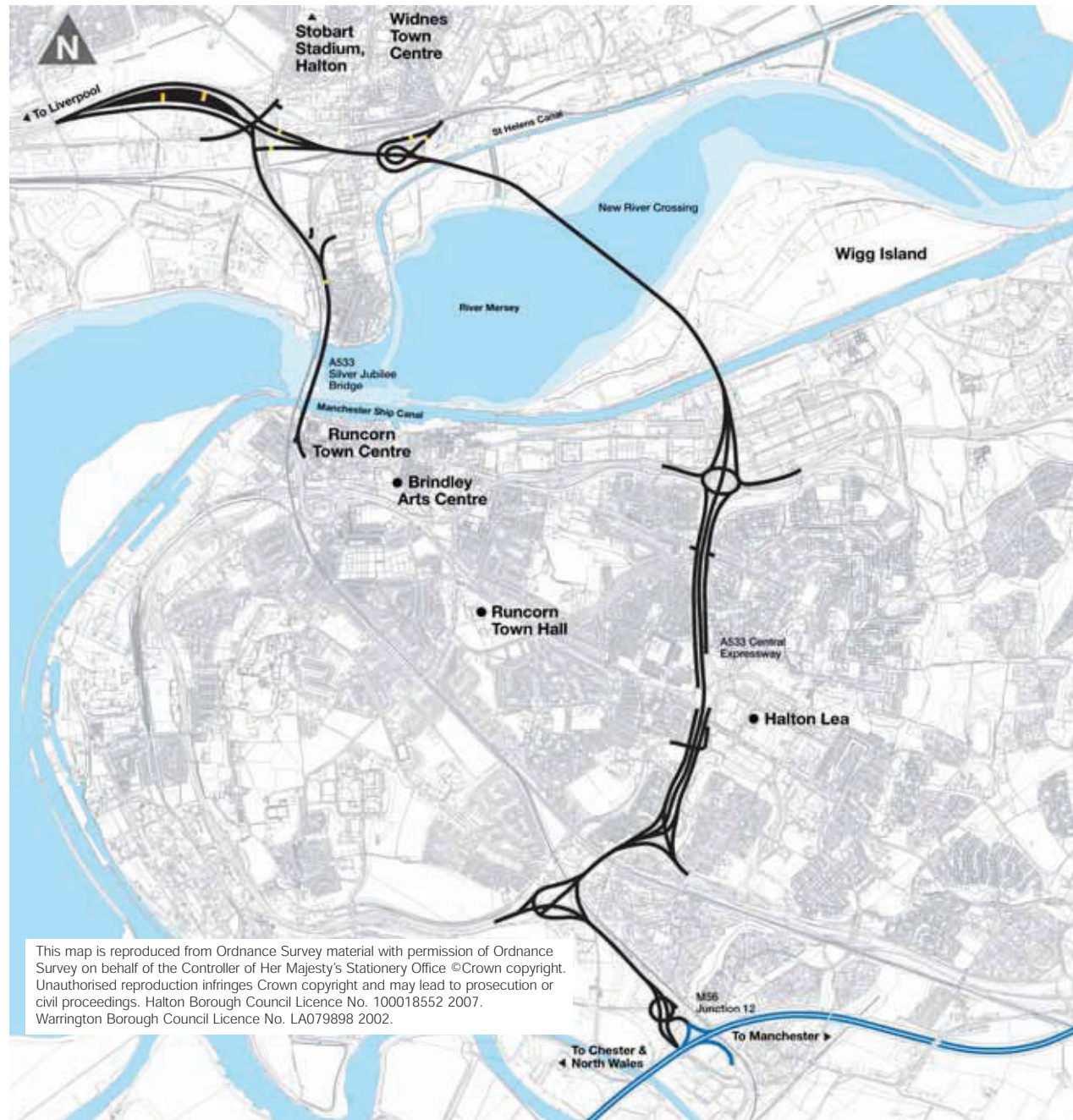
## The project also includes or facilitates:

- plans to develop and integrate public transport, cycle and pedestrian links across Halton
- plans to kick start a major 20-year regeneration programme for Halton
- improving regional transport links to encourage new and inward investment, and
- road user charges on the existing Silver Jubilee Bridge between the two towns.

## The new bridge will:

- be over 70% funded by the private sector
- mean an estimated 4,640 new jobs through direct employment, regeneration activity and inward investment
- generate an estimated £61.9 million a year in Gross Value Added from the new jobs by 2030
- cross the river around 1.5 km to the east of the Silver Jubilee Bridge
- be a tolled crossing with a speed limit of 60mph
- have three lanes across the Mersey in each direction
- form the centrepiece of a new and improved high standard link road (9.5km long) connecting the national motorway network in north Cheshire with Merseyside.





**Key:** — Mersey Gateway Project – main works      — Likely location of toll booths

## Objectives

The objectives of the project are to:

- relieve the congested Silver Jubilee Bridge (SJB) and better provide for local transport needs
- apply minimum toll charges to both the new bridge and the SJB to allow the project to be funded
- improve accessibility to maximise local development and regional economic growth opportunities
- improve local air quality and enhance the general urban environment
- improve public transport links across the river
- encourage the increased use of cycling and walking, and
- restore effective network resilience for transport across the River Mersey.



## The new bridge

The proposed bridge design is based on a cable-stay structure similar to the second Severn Crossing, but with three towers. It will be 2300m long with a river span of 1000m. The main bridge spans will be supported by cable stays attached to the towers rising up to a maximum of 145m above the river bed.

The new bridge will be designed to carry up to six traffic lanes forming part of a new and improved high standard road (9.5km long) connecting north Widnes and Merseyside with Runcorn and the national motorway network in north Cheshire. Traffic would benefit from congestion free uninterrupted travel across the Mersey for the foreseeable future.



How the new bridge (top) will look next to the Silver Jubilee Bridge

## Benefits

The project will bring huge estimated benefits for people and businesses in Halton, the Liverpool city-region, Cheshire and across the north west.

### Economic benefits:

- 470 permanent full time equivalent jobs on site during the construction phase
- 4,640 permanent new jobs as a result of the operation of the Mersey Gateway, regeneration activity and inward investment
- £61.9 million a year in Gross Value Added from the new jobs by 2030.

It will also support sustained growth at Liverpool Ports and Liverpool John Lennon Airport and improve business

productivity throughout the Mersey corridor (known as agglomeration impacts).

### Transport benefits:

- reductions in journey times of up to 10 minutes in peak periods
- increase in journey time reliability
- less congestion resulting in lower carbon emissions
- reductions in the cost of accidents of up to £39 million
- 85% less traffic using the Silver Jubilee Bridge, freeing it up for use as a local bridge
- increased network resilience and civil contingencies
- reductions in maintenance delays as a result of reduced congestion, and
- a major strategic new transport route linking the Liverpool

city-region and the north west to the rest of the country.

### Social benefits:

- improvements to public transport facilities
- improvements to walking and cycling facilities
- improved health as a result of reduced air pollution
- safer new routes for cyclists and pedestrians across and around the river, and
- more reliable access to emergency services and more robust emergency civil contingency planning.

## The Silver Jubilee Bridge

Built in 1961, and now crossed by over 30 million users every year - more than ten times the amount it initially carried - the Silver Jubilee Bridge (SJB) is the only route for cars to cross the Mersey through Halton and a notorious traffic bottleneck. Incidents and routine maintenance result in extensive delay where the local and regional road networks become 'gridlocked' for several hours.

To deliver the traffic and environmental benefits when the new bridge opens, the SJB will be subject to road user charges – but it will be free for buses, cyclists and pedestrians.

Around 80% of traffic will use the new bridge and the SJB will be reconfigured as a local bridge – with one lane of traffic in each direction, alongside dedicated space for cyclists and pedestrians.

