

9 Tolling

9.1 Introduction

This section considers the effect that the introduction of tolls would have on the overall wider economic impacts of the scheme. The effect of tolling is expected to act as a reduction to the overall growth in businesses and employment, because businesses and their employees would bear direct additional costs that would not be incurred in the case of a toll-free crossing. In essence, the introduction of tolling would provide a third alternative option in the consideration of wider economic benefits in addition to the base case and the preferred NMC without tolling.

9.2 Evidence of the effect of tolling

Evidence on the anticipated effects of tolling is provided from the Business Survey. In particular Q28 asked: "What effect would you expect (a toll equivalent to the charge currently made for crossing via the tunnels) to have on your business?" The response indicates a set of polarised views with an average of 48% indicating that it would have a large or very large effect and an average of 36% indicating that it would have no or very little effect. The balance of 16% on average indicated that it would have little effect either way. A summary of the responses is provided in Table 9.1.

Table 9.1: Effects of tolling											
LAD	Reported effect of tolling on businesses										Total No.
	1 (Very large)		2		3		4		5 (None)		
	No.	%	No.	%	No.	%	No.	%	No.	%	
Widnes	23	27	14	17	13	15	7	8	27	32	84
Runcorn	17	36	13	28	4	9	3	6	10	21	47
Liverpool	3	11	8	30	3	11	3	11	10	37	27
Warrington	6	23	4	15	3	12	5	19	8	31	26
St Helens	3	38	1	13	2	25	0	0	2	25	8
Knowsley	4	27	1	7	3	20	4	27	3	20	15
Wirral	2	33	1	17	1	17	0	0	2	33	6
Ellesmere Port	0	0	1	100	0	0	0	0	0	0	1
Chester	3	43	0	0	1	14	2	29	1	14	7
Salford, Wigan	3	20	2	13	2	13	2	13	6	40	15
Vale Royal	0	0	1	33	1	33	1	33	0	0	3

Considering the responses in more detail, it can be seen that in Zone 1 the effects of tolling were considered to be higher, with 54% indicating a large or very large effect, while a lower percentage (33%) considered that tolling would have little or no effect. In contrast, respondents in Zone 2 indicated a lower effect of tolling, with 42% indicating that it would a large or very large effect, while 40% considered that it would have little or no effect. On the other hand, in the hinterland zone, results were similar to those in Zone 1, with 5% of respondents indicating that tolling would have a large or very large effect, while 32% considered that it would have little or no effect.

9.3 Conclusions

The results of the Business Survey provides some general indication of attitudes towards tolling, and therefore the overall extent of the perceived response in terms of business growth and employment. In general it is considered that the extent of polarisation indicates that the overall effect would be balanced between those businesses for whom tolling would have little or no impact on impacts in terms of business or employment growth, and those businesses for whom it would have a large or very large impact (and for whom there are alternative non-tolled options available). Taking the overall result, where some 50% of respondents considered there would be a large or very large effect, and approximately 40% who considered that it would have little or no effect, then this suggests that the point at which these views are balanced is approximately 60%. As a result it is considered reasonable to assume for the evidence available that with tolling, the employment growth would represent some 40% of that forecast under the no-tolling approach.

This conclusion is subject to some degree of caution. In the first instance, this is based on a relatively small sample, and expresses views that may not be reflected in business and investment decisions once the new crossing is in place. As such, we consider that the analysis provides an indicative view only. In reality, it is likely that once a new crossing is in place and tolls are introduced (should this be determined as the appropriate course of action) then businesses and employees will make an economic judgement based on circumstances at the time. While high volume transport businesses may be deterred by anything other than minimum level tolls, other businesses may absorb the additional costs and undertake expansion or investments in any case. Therefore it is considered reasonable to apply a range to the assumptions regarding the effects of tolling. An appropriate view at this stage is considered to be to reverse the opinions of those attributing large or very large effects to tolling against those expressing little or no effects. In this case, this would suggest that the overall effects might lie in the range of 40% (pessimistic) to 60% (optimistic) in relation to the overall expected employment gains.

Taking this approach would provide the basis for the assumed employment benefits under tolling set out in Table 9.2.

Table 9.2: Summary of expected gains in RA employment with tolling						
		New Jobs secured by RA residents from expansion & inward investment	Existing jobs secured by RA residents			Total
			In RA	Hinterland	Total	
Unskilled	Upper	804	168	71	239	1,043
	Lower	536	112	47	159	695
Skilled manual	Upper	486	150	141	291	777
	Lower	324	100	94	194	518
White collar	Upper	60	84	141	225	285
	Lower	40	56	94	150	190
Managerial / professional	Upper	42	18	352	370	412
	Lower	28	12	234	247	275
Total	Upper	1,392	420	705	1,125	2,517
	Lower	928	280	470	750	1,678