



# 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**