

DECISION-MAKER:	CABINET
SUBJECT:	AUTOMATION OF ITCHEN BRIDGE TOLL COLLECTION SERVICE
DATE OF DECISION:	20 DECEMBER 2010
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT

STATEMENT OF CONFIDENTIALITY

Appendix 2 of this report is not for publication by virtue of category 3 (financial and business affairs of the Authority) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the appendix contains details of the financial assumptions, revenue and capital estimates related to the project which could, if made available to the public or commercial sector in advance of competitive tender invitations, influence the tender process, prejudice negotiations with potential contractors and result in the Authority not obtaining best value in procuring the services necessary to deliver the project.

BRIEF SUMMARY

A manned toll collection service operates on the eastern side of Itchen Bridge to control traffic in and out of the City Centre from the east. Following a Feasibility Study and Outline Business Case it is recommended that Cabinet approve the proposal to automate the toll collection service, which it is estimated could save the Council £238,000 per annum from 2012/13. In addition, capital expenditure approval is sought, subject to Council approving the addition of a scheme to the Environment and Transport Capital Programme in February 2011, to be funded by a combination of borrowing and contributions from the Itchen Bridge Major Maintenance Fund.

RECOMMENDATIONS:

- (i) To implement an automated toll collection service for Itchen Bridge
- (ii) To delegate authority to the Executive Director of Environment, following consultation with the Solicitor to the Council and Executive Director of Resources, to take any necessary action to give effect to recommendation (i) above, including but not limited to undertaking any and all necessary procurement activities in compliance with Contract Procedure Rules (including award of contract and all associated or ancillary matters), making necessary changes to the relevant Toll Orders made under the Hampshire Act 1983 (including determination of objections following advertisement of proposed changes) and consulting upon and implementing all necessary service, staffing and organisational structure changes necessary to implement the project.

- (iii) To approve, in accordance with Financial Procedure Rules, capital expenditure, as set out in confidential Appendix 2, subject to Council approving the addition of the Itchen Bridge Toll Automation scheme to the Environment and Transport Capital Programme in February 2011. This scheme will be funded by a combination of borrowing and contributions from the Itchen Bridge Major Maintenance Fund, as set out in the confidential appendix.
- (iv) To consult with staff and unions on the automation, which will lead to a need for restructuring of the service and potential staffing reductions. Redeployment of affected employees will be a priority

REASONS FOR REPORT RECOMMENDATIONS

1. A review of the current Itchen Bridge Toll Collection service and the alternative toll collection options clearly demonstrated that a significant reduction in operating costs can be achieved through the implementation of an automated toll collection service. Additionally, bridge users will benefit from more modern payment options.
2. A number of automation options were considered on the basis of the savings delivered, the practicality for bridge users, and the impact on traffic flows. The recommended automation solution was determined as the most suitable.
3. The above recommendations are required to enable officers to commit resources and deliver the project within the timescales identified below.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. An initial Feasibility Study and Outline Business Case considered and discounted the following options for the bridge: do nothing; remove the toll; allow free passage when volumes are low.
5. Further work was undertaken to determine the most suitable automation option. Options considered were:
 - Unattended roadside collection (i.e cash bins and card machines)
 - Unattended roadside collection and Data Tag (i.e. in-car electronic device enabling pre-pay)
 - ANPR (Automatic Number Plate Recognition) and Data Tag.
6. Unattended roadside collection and Data Tag was identified as the most suitable option both in terms of the practicality of the solution for users and the realisable savings which would be delivered. Appendix 1 and confidential appendix 2 provides further detail on the preferred option's relative strengths and weaknesses and on the financial case.

DETAIL (Including consultation carried out)

7. The proposed solution, unattended roadside collection and Tag, will remove the currently manned toll collection service. In the place of manned toll booths, automated payment facilities will be provided at the toll collection point. An electronic 'Tag' will be available for regular users to install in their vehicle to enable automatic passage and the application of concessions.

8. A barrier will be installed at each collection point and vehicles will be identified by size using an infrared laser in order for the correct toll to be charged. This may require a re-classification for a small number of vehicle types.
9. A manager and a number of Lane Attendants will be retained to manage the transition to the new arrangements and provide 'troubleshooting' assistance at the toll points. Administrative functions will be absorbed within Parking Services back-office.
10. Installation work will be undertaken overnight and where this is not possible during off-peak hours to ensure minimal disruption for bridge users.

A breakdown of the current and future service costs is attached at confidential Appendix 2. The forecast benefits from automation are as follows:

	Current	Automated	Benefit
Service Revenue Cost	£696,000	£458,000	£238,000 saving
Peak Vehicle Throughput (per hour)	260	300	+40 increase
Off-Peak Vehicle Throughput (per hour)	158	200	+42 increase
Cost per Transaction	11p	7p	4p saving per transaction

11. Subject to approval further detailed design work is required to determine the final specification for the automated solution this may lead to some changes to the scheme but these are unlikely to be significant.
12. It is not anticipated that the automation of the toll collection service will have any significant impact on the number of bridge users over the medium to long-term.
13. Meetings with staff and Trade Unions have taken place to discuss the project and its implications. Meetings with the Cabinet Member for Environment and Transport, the Executive Director for Environment and Chief Officers Management Team have also taken place to discuss the proposals.
14. Further consultation with bridge users and the public will take place prior to the implementation of the automated solution to ensure the transition is as smooth as possible for users.

RESOURCE IMPLICATIONS

Capital/Revenue

Capital

15. The estimated capital implementation cost is shown in confidential Appendix 2. This appendix includes a breakdown of the proposed funding and the phasing of expenditure. Capital works are estimated to commence in May 2011 with completion in October 2011. The appendix also contains a breakdown of the costs and details of the savings associated with the automation. The payback on this investment is anticipated to be within five years.
16. It is proposed that the scheme is funded through a combination of the Itchen Bridge Major Maintenance Fund and through Prudential Borrowing, with the debt costs deducted from the savings. This method of funding means that the addition of the scheme to the capital programme will require approval at full Council. It is proposed to make this recommendation as part of the General Fund Capital Update report that will be considered in February 2011.
17. The financial and other risks associated with the scheme will be set out in the Project Initiation Document, which will be approved by the Project Board, prior to the commencement of the capital works. If it is decided not to proceed with the works at this stage, any abortive detailed design costs will be charged to revenue and met from the Itchen Bridge Major Maintenance Fund.
18. A comprehensive 10 year asset management plan is in place for the bridge which has enabled officers to make an informed and confident decision to use funding from the Maintenance Fund. The balance of the fund will still cover all other planned major maintenance the bridge requires over this period. Confidential Appendix 2 (attached) provides a breakdown of the proposed funding of the phased capital scheme.

Revenue

19. The annual savings are estimated to be £70,000 in 2011/12 and £238,000 in future years. Appendix 2 provides a summary of the current service revenue cost and the estimated revenue cost of the service post-automation. The works are intended to be undertaken at night in a phased manner so that they will have no detrimental affect on income collected from tolls
20. There are no proposed changes required to the toll charges or concessions as a direct result of this project. A separate review of the current charges is being undertaken by officers and, if any changes are necessary, officers may seek to coordinate the toll orders.

Property/Other

21. The Itchen Bridge Control Room is situated adjacent to the Toll Plaza and will need to be retained as a base for the Lane Attendants to keep an overview of the bridge and to enable rapid response to any issues. It will also still be required for the toll collection system's in-stations, servers and other infrastructure. However, the space required is likely to decrease once the automated system is in place. This may provide opportunities to rationalise space requirements and derive a small income and this will be explored

- during the next phase of the project in conjunction with property colleagues.
22. The proposed solution reduces the number of FTE's. The exact number will be dependent upon the final set-up of the service but it is anticipated there will be a reduction of 12 FTEs. The reduction in staff will be managed through the Council's formal procedures for redeployment and redundancy. Any redundancy costs are to be covered corporately.
 23. Transfer of Undertakings, (Protection of Employment) Regulations 2006 (TUPE) will not apply.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

24. The bridge tolling is governed by the Hampshire Act 1983. Section 18 of that Act empowers the Council to maintain, alter and renew the bridge, s.19 permits the construction of temporary and permanent subsidiary works, s20 permits the provision of toll collection facilities (including updating or changing those facilities as necessary). Section 22 permits the Council to charge and collect tolls for any class of traffic (defined in accordance with the prevailing Traffic Acts) excluding pedestrians and s.27 empowers the Council to determine how and when tolls are to be paid. This provision is discretionary and it is therefore possible for the Council to introduce such methods of collection as it sees fit, including cash, prepaid token, electronic payments, invoicing after travel etc. It is likely that the current Tolls Order (which sets the methods of payment provided for under section 27 of the Act) may need to be updated to reflect new technologies, methods of permitted payment to be introduced upon automation and any permitted changes to classes of vehicle necessary to give effect to automation. Such changes will require notice to be given to the public and consideration of any objections before any changes to the Toll Order may be introduced. This will need to be undertaken before any automated service comes into effect.

Other Legal Implications:

25. Procurement of goods and services necessary to implement this project will be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2006.
26. Implementation of new technologies will be subject to compliance with the requirements of the Equalities Act 2010, in particular with regard to use of facilities by disabled persons and equality impact assessments will be undertaken accordingly.
27. Cash and electronic toll collection will also be subject to relevant security assessments to ensure that facilities are protected against the possibility of crime (personal and property theft, including security of both cash and electronic data collected).
28. Collection of electronic data will be subject to compliance with the provisions of the Data Protection Act 1998.

POLICY FRAMEWORK IMPLICATIONS

29. The project is in line with the Council's Local Transport Plan. Consideration of Toll charges and concessions are not within the scope of this project and no changes need to be made to the charges in order to fund the project. However, as a result of the new technology, which will need to categorise vehicles by size, it may be necessary to amend the classification of some vehicles (subject to compliance with specified classes of vehicle recognised by the relevant Road Traffic Acts). Although this will be avoided if at all possible.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	WOOLSTON AND BARGATE
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Preferred Option SWOT Summary
2.	Financial Summary - CONFIDENTIAL

Documents In Members' Rooms

1.	Outline Business Case
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: Highways Infrastructure Services, 5th Floor, One Guildhall Square

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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