

# SILVERTOWN TUNNEL

Volume 7

## 7.11 Charging Policy

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Revision 0

Planning Act 2008

Infrastructure Planning (Applications: Prescribed  
Forms and Procedure) Regulations 2009

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# Silvertown Tunnel

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# Charging Policy

## 7.11

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Planning Act 2008

Infrastructure Planning

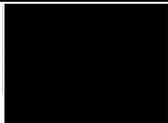
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## Contents

<b>List of Abbreviations.....</b>	<b>6</b>
<b>Glossary of Terms.....</b>	<b>7</b>
<b>1. INTRODUCTION .....</b>	<b>9</b>
1.1 TfL and the Scheme.....	9
1.2 Purpose of the Charging Policy.....	10
1.3 Charging Policy in context.....	10
<b>2. OBJECTIVES OF USER CHARGING .....</b>	<b>13</b>
2.1 Achieving the Project Objectives.....	13
2.2 How user charging helps to achieve the Project Objectives.....	14
2.3 Factors for consideration in setting and varying the charges .....	15
2.4 How the factors will be considered.....	16
<b>3. PROCEDURE FOR SETTING AND VARYING THE USER CHARGES.....</b>	<b>19</b>
3.1 Setting the initial charge.....	19
3.2 Subsequent variations to the user charges .....	19
3.3 Publishing the Statement of Charges.....	20
3.4 Occasional variations for inflation.....	20
3.5 Temporary suspension and changes to user charges.....	21
<b>APPENDIX A. FORM OF STATEMENT OF CHARGES .....</b>	<b>23</b>
<b>BIBLIOGRAPHY.....</b>	<b>25</b>

**List of Figures**

Figure 1-1: Functional interaction between the Charging Policy, the Monitoring Strategy and the TIMS ..... 12

Figure 3-1: Process and principles for setting and varying the Statement of Charges ..... 21

## List of Abbreviations

GLAA	Greater London Authority Act
DCO	Development Consent Order
MTS	Mayor's Transport Strategy
RPI	Retail Price Index
STIG	Silvertown Tunnel Implementation Group
TfL	Transport for London
TLRN	Transport for London Road Network

## Glossary of Terms

Assessed Case	Scenario adopted for assessment of likely effects of the proposed scheme, in the context of central forecasts of transport conditions and with user charges set so as to balance the Scheme's traffic, environmental, socio-economic and financial objectives.
Blackwall Tunnel	An existing road tunnel underneath the River Thames in east London, linking the London Borough of Tower Hamlets with the Royal Borough of Greenwich, comprising two bores each with two lanes of traffic.
Induced traffic	A change to the road network that has the potential to generate additional traffic on the improved section if new users respond by, for example, diverting from other routes, changing their origin or destination (trip locations), or switching from other transport modes. This additional traffic is often referred to as induced traffic.
The Scheme	The construction of a new bored tunnel with cut and cover sections at either end under the River Thames (the Silvertown Tunnel) between the Greenwich peninsula and Silvertown, as well as necessary alterations to the connecting road network and the introduction of user charging at both Silvertown and Blackwall tunnels.
Silvertown Tunnel	Proposed new twin-bore road tunnels under the River Thames from the A1020 in Silvertown to the A102 on Greenwich Peninsula, East London.

<p>TfL</p>	<p>A London government body responsible for most aspects of the transport system in Greater London. Its role is to implement transport strategy and to manage transport services across London.</p> <p>These services include: buses, the Underground network, Docklands Light Railway, Overground and Trams. TfL also runs Santander Cycles, London River Services, Victoria Coach Station and the Emirates Air Line.</p> <p>As well as controlling a 580km network of main roads and the city's 6,000 traffic lights, TfL regulates London's private hire vehicles and the Congestion Charge scheme.</p>
<p>User charge</p>	<p>The charge to be paid by users of the Silvertown Tunnel and Blackwall Tunnel that is to be imposed in order to manage traffic demand and help pay for the Scheme.</p>

# 1. INTRODUCTION

## 1.1 TfL and the Scheme

- 1.1.1 Transport for London (TfL) is a statutory body created by the Greater London Authority Act 1999 (GLAA). The GLAA imposes on the Mayor of London a general duty to develop and apply policies to promote and encourage safe, integrated, efficient and economic transport facilities and services to, from and within London. TfL is responsible for delivering these services on the Mayor's behalf.
- 1.1.2 TfL is also the statutory highway and traffic authority for the Transport for London Road Network (TLRN), and is responsible for the maintenance, management and operation of traffic signals throughout London. TfL has a network management duty under the Traffic Management Act 2004 which requires it to make sure road networks are managed effectively to minimise congestion and disruption to vehicles and pedestrians.
- 1.1.3 The Silvertown Tunnel Scheme (the Scheme) involves the construction of a twin bore road tunnel providing a new connection between the A102 Blackwall Tunnel Approach on the Greenwich Peninsula (Royal Borough of Greenwich) and the Tidal Basin roundabout junction on the A1020 Lower Lea Crossing/Silvertown Way (London Borough of Newham).
- 1.1.4 The Scheme includes the introduction of free-flow user charging on both the Blackwall Tunnel (northern portal located in London Borough of Tower Hamlets and southern portal in the Royal Borough of Greenwich) and at the new Silvertown Tunnel. This measure plays a fundamental role in managing traffic demand and supporting the costs of the construction and operation of the Silvertown Tunnel.
- 1.1.5 The Scheme is the subject of an application for a Development Consent Order (DCO) under the Planning Act 2008. As well as authorising the construction of the new tunnel, the DCO provides the powers to impose charges on users of the Blackwall and Silvertown Tunnels and to enforce the collection of those charges.

## **1.2 Purpose of the Charging Policy**

1.2.1 The DCO confers a general power on TfL to impose charges on vehicles using the Silvertown Tunnel and the Blackwall Tunnel. The power allows TfL to:

- set the initial user charges prior to the Scheme opening to traffic;<sup>1</sup>
- keep the charges under review; and
- vary the charges having regard to the Project Objectives and the traffic and environmental factors set out in this Charging Policy.

1.2.2 The power encompasses all aspects of the user charges including setting the charge levels and stipulating the hours to which the charge shall apply, the vehicles charged, the discounts and exemptions granted and other criteria relating to user charging in the Scheme.

1.2.3 The DCO requires that the user charging power must be exercised in accordance with this Charging Policy, which requires TfL to set and vary the charges having regard to consistent set of principles and objectives. In particular, the Charging Policy sets out how TfL must have regard to the likely impacts of the user charges, and to the impacts of any potential changes to the user charges.

1.2.4 The Charging Policy also sets out the formal procedures that apply when setting and varying the user charges. The applicable charges (including the charge levels, the hours charged, the vehicle charges, discounts and exemptions granted and other factors related to user charging) will be set out in writing in the Statement of Charges that will be published by TfL whenever the charges are set or varied. Any Statement of Charges published by TfL should be in the form set out in 0 to this document or in a form to the like effect.

## **1.3 Charging Policy in context**

1.3.1 Figure 1-1 sets out the functional interaction between the Monitoring Strategy (Document Reference: 7.6), the Charging Policy (Document

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<sup>1</sup> This is the date when the Silvertown Tunnel opens. From this time user charges would apply at both it and the Blackwall Tunnel.

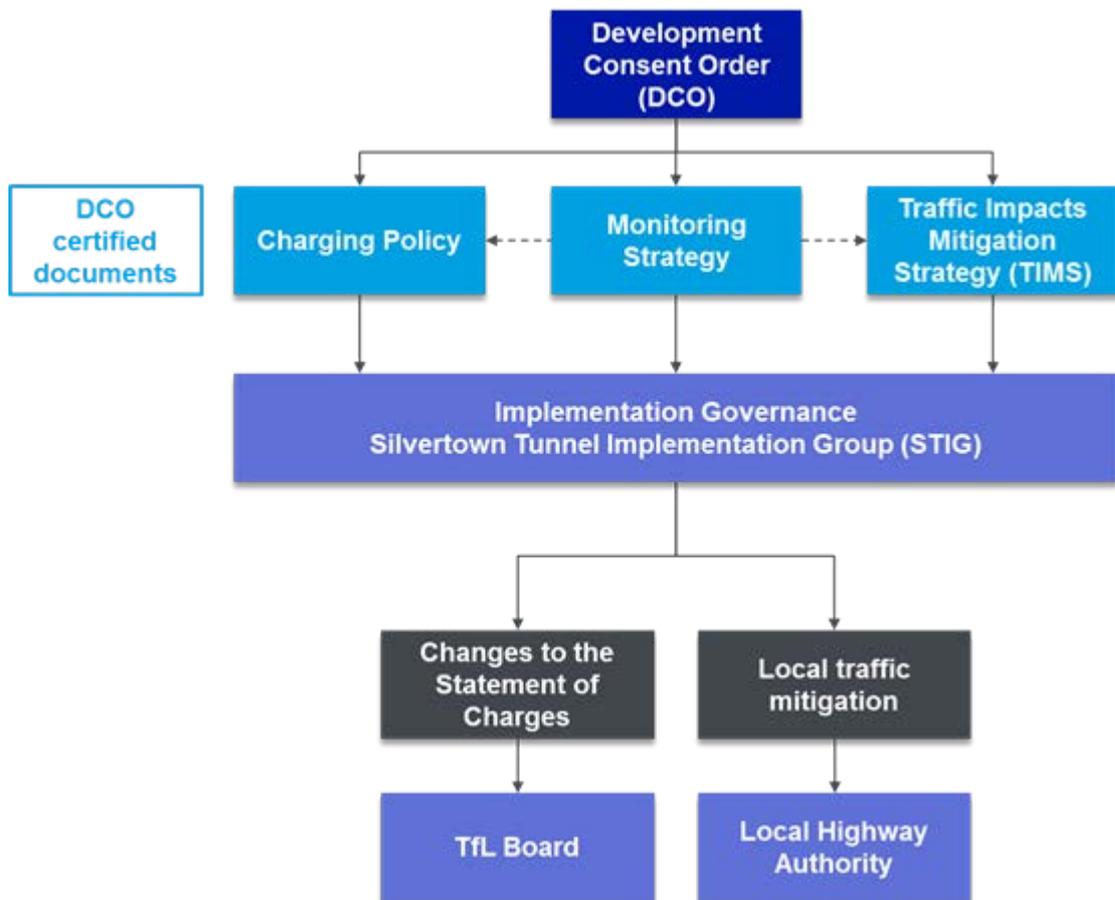
Reference: 7.11) and the Traffic Impacts Mitigation Strategy (TIMS) (Document Reference: 7.7). These three documents will be certified through the DCO process and a failure by TfL to comply with the procedures set out in these documents will amount to a breach in terms of the DCO.

1.3.2 The main functions of the three documents are as follows:

- Monitoring Strategy (Document Reference: 7.6) – sets out the scope of monitoring that TfL proposes to undertake in respect of traffic, air quality (including carbon), noise and socio-economic impacts of the operation of the Scheme
- TIMS (Document Reference: 7.7) – sets out the process for determining and implementing appropriate mitigation for any localised traffic and traffic-related impacts which arise as a result of the Scheme
- Charging Policy (Document Reference: 7.11) – sets out the principles according to which TfL must set and vary the user charges and the procedures that apply when doing so

1.3.3 A governance process has been established for the implementation of each of these elements. While localised traffic mitigation is to some extent separate from charging, a relationship exists between them and monitoring outcomes may be used to feed into considerations around both localised traffic mitigation and user charging. The DCO provides for one group to which these issues are brought for discussion – the Silvertown Tunnel Implementation Group (STIG). The role and responsibilities of STIG in relation to the Charging Policy are described in Chapter 3.

**Figure 1-1: Functional interaction between the Charging Policy, the Monitoring Strategy and the TIMS**



## 2. OBJECTIVES OF USER CHARGING

### 2.1 Achieving the Project Objectives

- 2.1.1 Proposal 130 of the Mayor's Transport Strategy (MTS) states that pricing incentives may be considered to manage demand provided they achieve a reasonable balance between objectives, costs and impacts. It also states that the Mayor can use charges to support specific infrastructure projects such as river crossings.
- 2.1.2 TfL has used this policy in order to develop the Scheme, which requires user charging in order to achieve the Project Objectives, which are as follows:
- PO1: to improve the resilience of the river crossings in the highway network in east and southeast London to cope with planned and unplanned events and incidents;
  - PO2: to improve the road network performance of the Blackwall Tunnel and its approach roads;
  - PO3: to support economic and population growth, in particular in east and southeast London by providing improved cross-river transport links;
  - PO4: to integrate with local and strategic land use policies;
  - PO5: to minimise any adverse impacts of any proposals on communities, health, safety and the environment;
  - PO6: to ensure where possible that any proposals are acceptable in principle to key stakeholders, including affected boroughs; and
  - PO7: to achieve value for money and, through road user charging, to manage congestion.
- 2.1.3 The primary function of the user charges is to enable the management of traffic demand for the river crossing. By managing this traffic demand, the other effects of the Scheme can be effectively managed and the Project Objectives met.
- 2.1.4 As demonstrated by the Assessed Case, the imposition of the charge as a component part of the Scheme in operation will effectively eliminate the current severe congestion and delay at the crossing, significantly improving its resilience to traffic incidents that cause delays and enabling the optimisation of the performance of the local road network. In this way, the

user charges ensure that the benefits of the additional river crossing capacity generated by the Scheme (as described in the Project Objectives) are 'locked in' for the long-term.

- 2.1.5 A secondary reason for the user charge is to provide a means of helping to pay for the design and construction and operation of the Scheme (as set out in PO7). Charging will generate a relatively stable long-term source of revenue that will support both the servicing and repayment of construction finance and ongoing operation and maintenance costs.

## **2.2 How user charging helps to achieve the Project Objectives**

- 2.2.1 Without a user charge, the benefits of additional capacity put in place by the new tunnel would be short-lived, owing to an effect known as 'induced traffic' in which the increased convenience of driving (owing to reduced journey times, for example) attracts additional traffic to the point where queues initially relieved return to their former levels.
- 2.2.2 This would lead to there still being significant delay at the crossing and to continued adverse impacts on the wider road network in terms of congestion, journey time and journey time reliability. This in turn would undermine the resilience benefits brought about by having an additional tunnel. The imposition of a user charge for both tunnels is, accordingly, directly related to the achievement of PO1 and PO2 and PO7; and instrumental in the achievement of objectives PO3 to PO6.
- 2.2.3 The threat of induced traffic can be managed effectively through the imposition of the user charge, which will act to suppress demand and is thereby a powerful and flexible tool to ensure the benefits of the additional crossing capacity delivered by the Scheme are secured. In this way, the user charges act as an 'embedded mitigation' of adverse traffic and associated environmental impacts that the Scheme might otherwise give rise to.
- 2.2.4 Setting a charge means that drivers (and potential drivers) must decide if they are willing to pay to make this journey and if not, respond by switching to another mode, changing the time or route of their journey or not making the journey at all.
- 2.2.5 If no charge were applied, the Scheme would give rise to secondary adverse impacts in terms of the economy, environment and public transport (PO3). Businesses would continue to experience journey time delay and unreliability with regard to their use of the crossing. The opportunity to run more and better public transport would be lost if demand is not managed at the

Silvertown and Blackwall Tunnels, as certainty about journey times is paramount if bus and coach services are to operate effectively and attract customers.

- 2.2.6 The user charges are the principal means by which mitigation of the adverse environmental impacts of the Scheme can be delivered (PO5). If not properly managed, traffic can have adverse air quality, noise and other environmental impacts. By controlling traffic demand via the user charges, these can be mitigated. The user charges not only control the level of demand but can help to incentivise the use of less-polluting vehicles, for example.
- 2.2.7 The charge is also necessary in that it generates revenue to help to meet the costs of construction and operation of the Silvertown Tunnel (PO7). Suitable alternative means of paying for the Scheme are not available and, crucially, would not incorporate the demand management effect of the user charge.
- 2.2.8 In setting and varying the user charges (including the charge levels, the hours charged, the vehicles charges, discounts and exemptions granted and other factors related to user charging), TfL must ensure that they are fair, justified and will not undermine the Project Objectives.

### **2.3 Factors for consideration in setting and varying the charges**

- 2.3.1 TfL will set the initial user charges prior to the Silvertown Tunnel opening to road traffic. TfL will keep the user charges under review.
- 2.3.2 The extent to which the user charges will assist in the continuing achievement of the Project Objectives is a relevant criterion to be had regard to by TfL when setting and varying the user charges.
- 2.3.3 The following sections set out the factors for consideration in setting and varying the user charges. The procedures for setting the initial charges and for making subsequent variations are set out in the following chapter.

#### **The initial charges**

In setting the initial charge, TfL will have regard to the Environmental Statement (ES) (Document Reference: 6.1). TfL shall set the charge at a level and subject to conditions so that the Scheme in operation is not likely to give rise to significant environment effects which are materially worse than those reported in the ES. In this TfL will have regard to:

- traffic;
- the environment; and

- population, economy and growth.

### **Subsequent variations to the charges**

2.3.4 TfL shall have regard to the Project Objectives and the need for their achievement in identifying potential variations to the user charges.

2.3.5 In determining whether to adjust or vary user charges, TfL shall have regard to the likely significant effects on:

- traffic;
- the environment; and
- population, economy and growth.

2.3.6 Variations to the charges must also comply with applicable legislation and policies (such as the MTS) and with TfL's network management duty.

## **2.4 How the factors will be considered**

### **Traffic**

2.4.1 TfL will use its power to set and vary the charge as a means to help fulfil its wider road network management duty under the Traffic Management Act 2004<sup>2</sup>.

2.4.2 TfL will have regard to the effects on the demand for the Silvertown and Blackwall Tunnels (including changes in traffic flow, congestion and delay) and on the management of traffic and transport on the wider network.

2.4.3 Overall, in setting and varying the user charges, TfL will seek to manage traffic demand at the Blackwall and Silvertown Tunnels to a level that ensures network capacity is not exceeded, and that displacement to alternative crossing routes is minimised.

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<sup>2</sup> TfL's network management duty under the Traffic Management Act 2004 requires it to make sure road networks are managed effectively to minimise congestion and disruption to vehicles and pedestrians

## **Environment**

- 2.4.4 TfL will consider the likely effects of the proposed charge on the environment, including health and equalities impacts. TfL will seek to ensure that the Scheme in operation does not give rise to unacceptable environmental impacts (e.g. noise or air quality). In determining the acceptability or not of the environmental impact, TfL will have regard to relevant legislation and strategies, including the national and Mayor's air quality strategies.

## **Population, economy and growth**

- 2.4.5 TfL will consider the likely effects of the proposed charge in supporting the performance of the local economy, the ability of residents to access employment opportunities and the delivery of new housing. TfL will have regard to planning policy set out in the London Plan and the Local Plans of the Royal Borough of Greenwich, the London Borough of Newham and the London Borough of Tower Hamlets and any policies or proposals set out in the Mayor's Transport Strategy.
- 2.4.6 Overall, TfL will seek to facilitate planned economic development in east and south-east London by enhancing cross-river connectivity to enable businesses and residents to undertake essential movements by road more efficiently.

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### 3. PROCEDURE FOR SETTING AND VARYING THE USER CHARGES

#### 3.1 Setting the initial charge

3.1.1 TfL must set the initial charges before the Silvertown Tunnel opens to traffic. The process for setting the charges will commence around two years in advance of Scheme opening.

3.1.2 TfL will propose the initial user charges for the Scheme, having regard to the factors set out in section 2.3.3 above. The steps are as follows:

- TfL will re-run the strategic traffic model (applying monitored data)
- It will then use the outputs of this model run to undertake a re-assessment of the significant likely effects of the proposed initial user charges on air quality, noise, socio-economic effects, in accordance with the approach adopted in the ES (Document Reference: 6.1).

3.1.3 TfL will consult with STIG on the proposed charges for the opening year, and present the results of the impact assessment. STIG may make recommendations in response to these.

3.1.4 TfL will then submit the proposed charges to the TfL Board for approval. When deciding whether or not to approve the proposed charges the TfL Board must:

- have regard to STIG's recommendations; and
- only approve the charges if it is satisfied that the conditions in section 2.3.3 are met.

#### 3.2 Subsequent variations to the user charges

3.2.1 TfL may vary the user charges when necessary and appropriate to do so, and must have regard to the Project Objectives and the factors set out in section 2.3.5 above.

3.2.2 For future variations to the user charges, TfL will assess and have regard to the likely traffic, environmental and socio-economic impacts of the proposed variation. Variations to the charges must also comply with applicable legislation and policies and with TfL's network management duty.

- 3.2.3 TfL will present its proposed variations to STIG, which may make recommendations in response.
- 3.2.4 TfL will then submit the proposed variations to the TfL Board for approval. When deciding whether or not to approve the variations the TfL Board must have regard to STIG's recommendations. Figure 3-1 below summarises the process for setting and varying the user charges.

### **3.3 Publishing the Statement of Charges**

- 3.3.1 Where the TfL Board decides to approve the proposed charges (for the initial charge and for subsequent variations), TfL must publish a Statement of Charges describing the charges in the form set out in the Appendix to this document or in a form to the like effect. The Statement will set out the date from which the charges take effect.
- 3.3.2 The DCO requires TfL to publish a Statement of Charges no less than 56 days before it comes into effect. TfL will endeavour to provide more notice than specified by this minimum period, and may publish a Statement of Charges up to six months in advance of the initial charges taking effect, and up to three months prior to the date on which any subsequent variations to the user charges take effect.
- 3.3.3 TfL will publish the Statement of Charges on its website and use other channels as appropriate in order to publicise the user charges.

### **3.4 Occasional variations for inflation**

- 3.4.1 Separate to variations occasioned by TfL's continual review, the charge will be varied from time to time to account for inflation<sup>3</sup>. This variation will include changes to associated charges such as penalty charges and registration fees as well as the user charges themselves. This change will not be subject to the assessment and approval processes outlined in sections 3.1 - 3.2 above. TfL will be required to publish a new Statement of Charges setting out these new charges.

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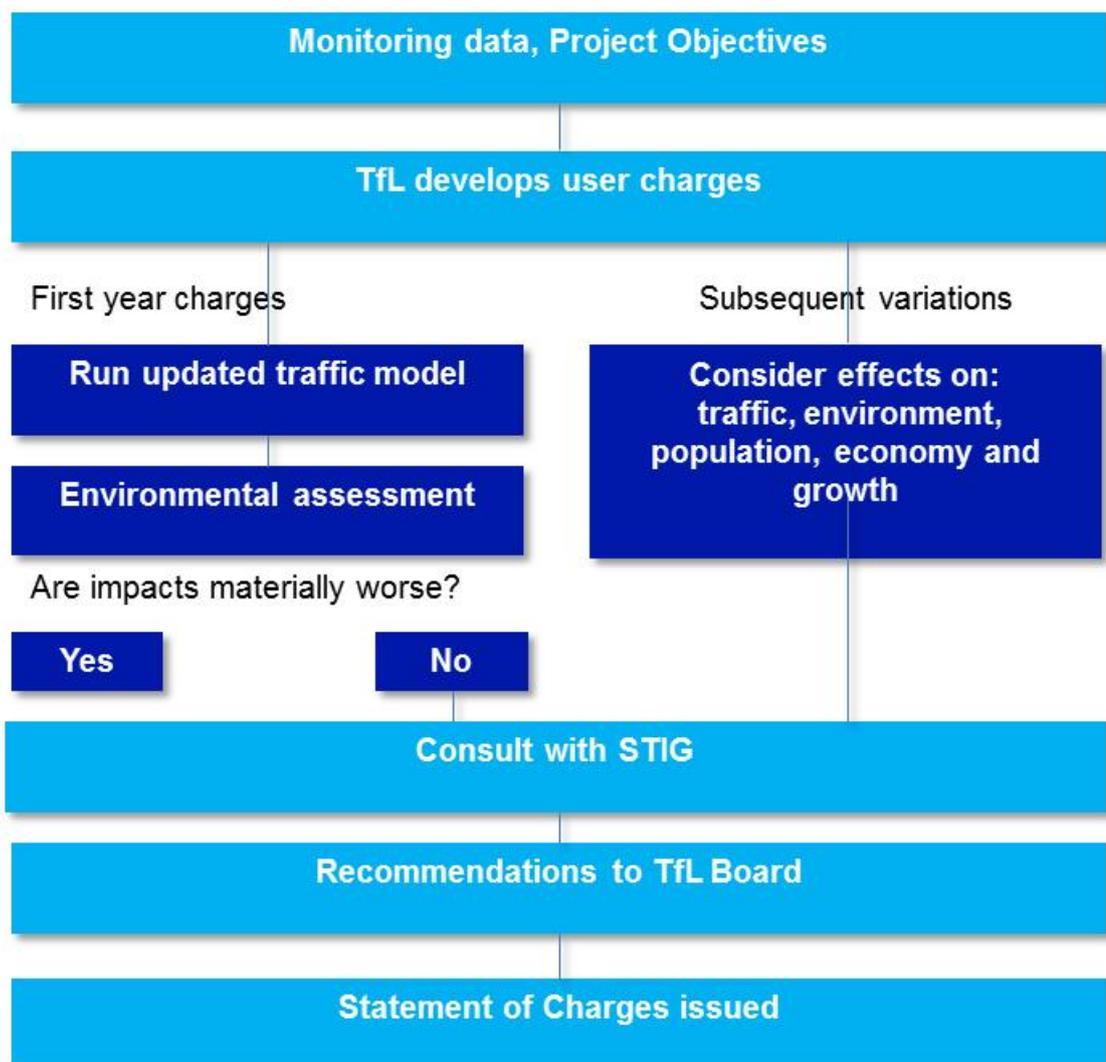
<sup>3</sup> Using the Retail Price Index (RPI)

### 3.5 Temporary suspension and changes to user charges

3.5.1 TfL may impose a temporary suspension or variation of charges where it considers it necessary to do so. Such a suspension would be advertised in advance on TfL’s website.

3.5.2 TfL may, without notice, impose a temporary suspension of user charges in response to emergencies or unplanned incidents on the highway network.

**Figure 3-1: Process and principles for setting and varying the Statement of Charges**



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## APPENDIX A. FORM OF STATEMENT OF CHARGES

### Interpretation

1. *[insert appropriate definitions].*

### Tunnels subject to charge

2. *[Describe the tunnels in respect of which charges are imposed. This may be in words or by reference to a plan].*

### Classes of vehicles subject to charge

3. (1) Charges are imposed in respect of all motor vehicles except exempt vehicles.

### Exemptions

4. Vehicles falling within any of the following classes are exempt vehicles:

*[Set out the classes of vehicles which are not subject to charges].*

### Discounts

5. The following discounts are available:

*[Set out the applicable discounts, expressed as a %].*

### Amount of charge

6. *[Insert details of the charges payable. These may vary according to matters including the day, the time of day, the class of vehicle etc. The basis on which variable charges are applied should be set out below].*

### Payment means or method

7. *[Insert details of the methods available to pay the charges].*

### Documents or equipment

8. *[Insert details of any documents or equipment needed in order to pay the charges].*

### Penalty charge for non-payment of charge

**9.** *[State where penalty charges are imposed for non-payment of charges and the amount of charges including reduction for prompt payment].*

### **Immobilisation of vehicles**

**10.** *[State the circumstances in which a vehicle may be immobilised on account of non-payment of penalty charges and amount of penalty charge for release from immobilisation devices].*

### **Removal of vehicles**

**11.** *[State the circumstances in which a vehicle may be removed on account of non-payment of penalty charges and amount of penalty charges for removal, storage and disposal of vehicle].*

### **Payment of charges and penalty charges**

**12.** *[Set out the ways in which and the times at which charges and penalty charges may be paid, including payment through accounts, by credit card and refunds].*

### **Commencement and duration**

**13.** *[State when the charges set out in this Statement of Charges come into effect and their duration].*

## BIBLIOGRAPHY

- i. Greater London Authority (2010); Mayor's Transport Strategy (MTS); London
- ii. Greater London Authority (2011); The London Plan; Spatial Development Strategy for Greater London; London
- iii. Greater London Authority (2015); Further Alterations to the London Plan; London
- iv. London Borough of Newham; Core Strategy; London
- v. London Borough of Tower Hamlets (2010); Core Strategy 2010; London
- vi. Royal Borough of Greenwich (2014); Royal Greenwich Local Plan; London