the mersey gateway
A BRIDGE TO PROSPERITY

# Mersey Gateway Project

## Income and expenditure summary 2017 - 2024

This report details income and expenditure data in relation to the Mersey Gateway Project from October 2017, when the Mersey Gateway Bridge opened, through to March 2024.



# Income and expenditure – October 2017 to March 2024

The graph and table below show that, as was projected in the project's planning and development phase, annual expenditure exceeds annual income each year.

The shortfall between income and expenditure is covered by Government funding in the form of a grant provided by the Department for Transport (DfT) at the start of each financial year.

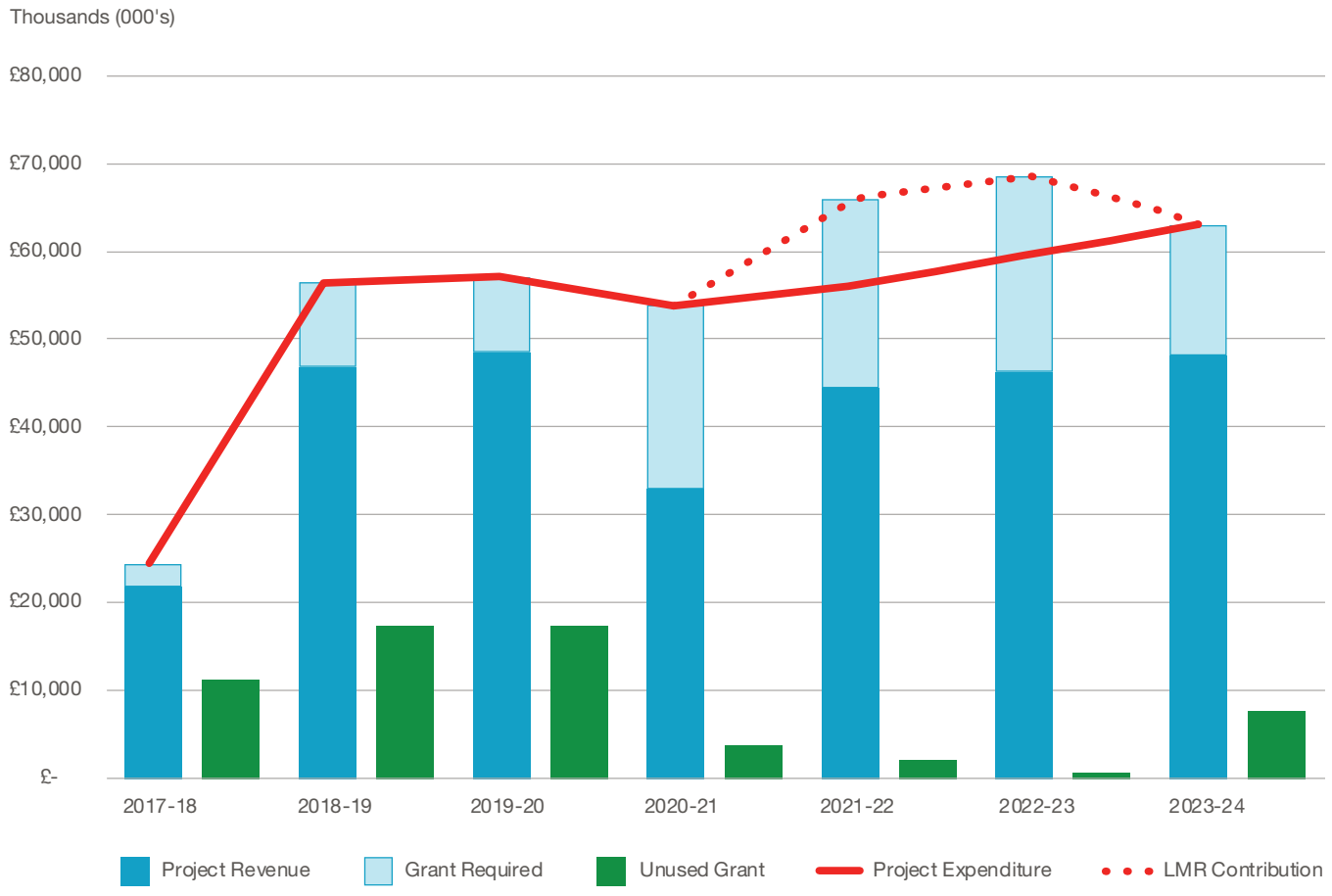
This amount is an annual estimate of the grant funding required and is paid in advance.

The grant funding that has been required has varied each year due to different reasons. For example:

- The impact of COVID-19 can quite clearly be seen in 2020-21 with the fall in project revenue. It is only in 2023-24 that revenue has returned to the same level as in 2019-20.
- Project expenditure has steadily increased since 2020-21 with costs being above those forecast due to higher than anticipated inflation.

As anticipated, in each year since 2017 an element of the grant has not been used. This unused element is returned to the DfT, with 15% being retained by Halton Borough Council.

## Mersey Gateway Project – Income and Expenditure 2017/18 to 2023/24




**A guide to reading this graph:**

- The blue columns represent project revenue – income from toll charges, account and plan fees, and Penalty Charge Notices (PCNs).
- The light blue and green columns represent grant funding received from UK Government.
- The solid red line indicates the annual project expenditure.
- The dotted red line shows the project's contribution to the Liquidity Maintenance Reserve (LMR) in 2021-22 and 2022-23.

# Income and expenditure table

The table below shows the income and expenditure figures for the project by financial year. It details the figures represented in the graph above. Figures in Thousands (000's).

| | 2017-18 (1) | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|---|---|
| (2) Actual Revenue | £21,862 | £46,783 | £48,559 | £32,979 | £44,453 | £46,360 | £48,147 |
| (3) Actual Project Costs | £24,434 | £56,422 | £57,100 | £53,827 | £55,979 | £59,560 | £63,027 |
| (4) Transfer to LMR* | | | | | £10,000 | £9,000 | |
| **Deficit** | **-£2,572** | **-£9,639** | **-£8,541** | **-£20,847** | **-£21,526** | **-£22,200** | **-£14,880** |
| **DfT Grant Received** | £13,806 | £26,998 | £25,808 | £24,702 | £23,719 | £22,940 | £22,566 |
| **Unused Grant** | £11,233 | £17,358 | £17,267 | £3,855 | £2,193 | £740 | £7,686 |
| **DfT Share @ 85%** | £9,548 | £14,755 | £14,677 | £3,276 | £1,864 | £629 | £6,533 |
| **HBC Share @15%** | £1,685 | £2,604 | £2,590 | £578 | £329 | £111 | £1,153 |

** Liquidity Maintenance Reserve (LMR)*

1. 2017/18 only covers six months as the Mersey Gateway Bridge did not open until October 2017.
2. Actual Revenue includes income received from toll charges, account and plan fees and PCNs.
3. Actual Project Costs includes payments to:
   a. Merseylink for the Design, Build, Finance and operation of the Mersey Gateway associated roads,
   b. Emovis for the operation of the tolling contract,
   c. Insurance premiums,
   d. Interest on prudential borrowings associated with the project, and
   e. The cost of operating the Mersey Gateway Crossings Board.
4. The Liquidity Maintenance Reserve is a separate ring-fenced bank account required under the terms of Funding Letter which is to be used to manage any short-term financial shortfalls.