

WHITCHURCH BRIDGE COMPANY TOLL APPLICATION DATED 31st OCTOBER 2008

Further Information: Operations Control

1. Introduction

1.1 Paragraph 3.11 of the Toll Application states that:

“Over the last four years the effect of these cost factors [*ie those described in para 3.10*] have been partially offset by improved operational efficiency, resulting mainly from the introduction of the automated Bridge Card scheme, but the Bridge operations are now at the optimal level of efficiency and we cannot expect significant further benefits from this.”

1.2 The purpose of this document is to give more details of how Company has improved operational efficiency by minimising operating costs and maximising revenue from Toll collection.

2. Minimising Operating Costs

2.1 Build-up of Operating Costs

2.1.1 In 2007 – 2008 the main contributors to the Company's operating costs, in descending order, were as follows:

Item	Cost	Paragraph
Toll Collectors wages	£32,317	2.3
Bridge Manager's salary	£14,942	2.4
Employer's NI payments	£4,206	2.5
Utilities	£3,621	2.6

These costs have been driven down as follows:

2.2 Workload Planning

2.2.1 Toll Collection hours amount to 93 hours per normal week (ie 14 hours Mon – Fri, 12 hours Sat, 11 hours Sun). Until April 2007, 1 Toll Collector was on duty outside the peak hours, and 2 Toll Collectors were on duty during the morning and evening peak hours (ie 7.30 – 9.30 am, 4.30 – 6.30 pm Mon – Fri). Thus 113 man-hours per week were required.

2.2.2 Following the introduction and bedding in of the Bridge Card system (see para 3.5), an independent survey was commissioned from the Russell Giles Partnership (Transport Planners and Civil Engineers) to identify the impact of the Bridge Card system on transaction time, efficiency and Toll Collector workload. The survey concluded that the reduction in workload from the introduction of the Bridge Card system would allow the peak hour “double-manning” to be withdrawn.

2.2.3 Following formal consultation with the Company's employees, double manning was withdrawn in April 2007, this reducing the Company's Toll collector employment costs from 113 to 93 man-hours per week.

2.3 Wage Rates

2.3.1 The Board reviews wage rates as part of its budgeting process. In recent years wage rates for adults (ie 22 years old and above) have been driven by the minimum wage: however, the Company has simplified its wage structure and where possible has withdrawn certain differential and seniority payments. Employee turnover has seen certain staff with “personal” wage rates leave, to be replaced with staff on the Company's basic rates of pay.

2.4 Bridge Manager's Salary

2.4.1 The Bridge Manager's salary has been evaluated on the basis of the workload of the position and the fact that he/she is required to live in the Toll House on the basis of a "no-rent" tenancy.

2.4.2 The Company has successfully agreed a work pattern with the Bridge Manager which conforms to Employment Law on working hours per week, whilst minimising the hours off duty which necessitate the rostering of and payment to staff to cover his/her absence.

2.5 Employee NI Costs

2.5.1 Employee NI costs are driven by the hours worked per week by each employee. The Company's Toll Collectors generally earn less than the NI threshold, and NI costs are almost entirely attributable to the Bridge Manager.

2.6 Utilities

2.6.1 The Company monitors its energy costs and in 2008 changed its gas and electric supplier to reduce costs. In addition, the form of heating in the Toll Booth has been changed so as to provide sufficient warmth for the Toll Collectors with less energy use.

3. Maximising Revenue

3.1 Summary

3.1.1 The Company's revenue is derived entirely from the collection of Tolls at the Toll Booth, and the Company therefore puts much effort into maximising the efficiency of the Toll collection process. The actions taken by the Company since 2004 include:

Item	Paragraph
Collection Hours	3.2
Robust cash handling procedures	3.3
Effective recruitment, training and supervision of the Toll collectors	3.4
Introduction of the Bridge Card system	3.5
Simplification of the Toll tariff	3.6
Cross-checking of Axle counter and Bridge Card system data	3.7
Random audits of traffic and cash data for a specific shift	3.8
CCTV systems to monitor traffic movements and the Toll collection process	3.9
Introduction of Key Performance Indicators (KPI's) and other Measures to monitor the efficiency of the Toll collection process and wider operating expenditure.	3.10

3.2 Collecting Hours

3.2.1 Under its Acts the Company is entitled to collect Tolls at all times. However, it is not economic to collect Tolls at night, as the volume of traffic would not cover staff and other variable costs (eg heating in the Toll Booth). The Company has fixed the start and finish time for Toll collection based on traffic volumes and staff costs, and also the duty hours of the Bridge Manager in relation to statutory requirements on working hours.

3.2.2 The current collecting hours are 7am – 9pm on weekdays, 8am – 8pm on Saturdays , and 9am – 8pm on Sundays. The Company reviews these hours from time to time.

3.3 Robust cash handling procedures

3.3.1 The Company has robust cash handling procedures to ensure that cash is securely and safely handled, and to provide an audit trail through all cash handling processes. The procedures include control forms to identify the cash taken during each Toll Collector shift.

3.4 Effective Recruitment, Training and Supervision of the Toll collectors

3.4.1 Recruitment is achieved by advertisements at the Toll Booth and also by word of mouth from existing staff. Applicants submit an Application Form and are interviewed by the Bridge Manager, who has the authority to recruit Toll collection staff.

3.4.2 2 copies of a Contract of Employment are prepared by the Company Secretary. The new employee is asked to read the document and to sign both copies of he/she is satisfied with its contents. Both copies are then signed by the Bridge Manager (on behalf of the Company). One copy is retained by the new Employee, and one by the Company Secretary.

3.4.3 On the job training is carried out by the Bridge Manager or other experienced staff. Following training, the employee's competence is assessed and documented by the Bridge Manager. This assessment Form is retained for the Company's records. The Training Assessment Form is shown in Appendix 1.

3.4.4 After competence is established, the Toll Collector is rostered on for shifts as mutually agreed between the Employee and the Bridge Manager. The Bridge Manager makes regular visits to the Toll Booth whilst the new Employee gains confidence and proficiency.

3.4.5 As part of his/her normal duties, the Bridge Manager spends some time in the Toll Booth with all Toll Collectors to observe their performance. The time spent with each Toll Collector will depend upon their experience, the Bridge Manager's knowledge of them, and any abnormal traffic conditions.

3.5 Introduction of the Bridge Card System

3.5.1 The Bridge Card system was introduced in 2006. Paragraphs 4.3 to 4.5 of the Toll Application explain the Bridge Card system and the benefits the Company obtains from it. The Company has in place a detailed document setting out the procedures to be followed by its employees for operating and maintaining the Bridge Card system.

3.6 Simplification of the Toll Tariff

3.6.1 As part of 2004 Toll Application, the **Regulated Toll** tariff was simplified so as to be more easily understood by both Bridge users and Toll Collectors. In particular, references to the number of seats in passenger vehicles were taken out.

The details are:

Prior to the 2004 Toll Application:

Passenger vehicle constructed or adapted to carry not more than 8 seated passengers, excluding the driver; goods vehicle not exceeding 2 tonnes maximum gross weight. (Discounted tickets are available on a restricted basis to certain classes of users down to a minimum of 7p per crossing)	£0.10
Passenger vehicle constructed or adapted to carry more than 8 but not more than 16 seated passengers, excluding the driver; goods vehicle other than in Class 1, not exceeding 3.5 tonnes maximum gross weight.	£0.40
Passenger vehicle constructed or adapted to carry more than 16 seated passengers, excluding the driver; goods vehicle exceeding 3.5 tonnes maximum gross weight	£1.00

After the 2004 Toll Application:

Standard toll - vehicle not exceeding 3.5 tonnes maximum gross weight	£0.20
Standard Toll - vehicle exceeding 3.5 tonnes mgw up to 7.5 tonnes mgw	£2.00

3.6.2 The **Bridge Card system** offers concessionary Tolls to all Bridge Card users, irrespective of their home address or any other attribute. The current system is a much simpler system than the two-tier ticket-based concessionary system that existed previously.

3.6.3 Until 2006 many classes of Bridge user claimed entitlement to “**free**” crossings (ie they didn't pay a Toll). These classes included (but were not confined to):

- Police, Fire and Ambulance vehicles
- Blue Badge holders
- Doctors and nurses from the local surgery
- Other NHS workers
- Visitors to the Police convalescent home in Goring Heath
- Drivers from the Pangbourne Volunteer Centre
- Royal Mail and Parcellforce vehicles
- Etc

In 2006 “free” crossings were restricted to the following groups only:

- Liveried Police, Fire and Ambulance vehicles
- Vehicle drivers in possession of Motor Tax exemption (these drivers must pre-register and are given Bridge Cards which operate the barrier equipment at no cost to the user)

3.7 Cross-checking of Axle counter and Bridge Card system data

3.7.1 The Company procured a loop-based axle-counter system from Golden River of Bicester in 1993. This system generates data on axle counts per direction per 30 minute time slots for 24 hours per day, 7 days per week. This data is used for the generation of KPI data and other management information.

3.7.2 Periodically, at about yearly intervals or whenever KPI or other management information suggests it is necessary, a check is made to confirm the accuracy the Golden River Axle Counter and the Bridge Card system. This check is carried out by the Company Secretary to ensure independence from the Bridge Manager

3.7.3 This check is undertaken by attaching a mechanical counter to each arm of the lifting barrier and recording the counts over specific time intervals. These counts can be compared to the data from the Golden River Axle Counter and the Bridge Card system. Any differences are investigated: for example, it has been determined that motorcycles trigger the Golden River axle counter even though they pass by without requiring a barrier raise.

3.8 Random audits of traffic and cash data for a specific shift

3.8.1 Periodically, at about yearly intervals or whenever KPI or other management information suggests it is necessary, an audit is taken of a specific shift to determine if the correct amount of cash has been taken by the Toll collector. This can be ascertained from the cash handling documentation (para 3.3) and data from the Golden River Axle Counter and Bridge Card systems.

3.9 CCTV systems to monitor traffic movements and the Toll collection process

3.9.1 Since 2004, 2 separate CCTV systems have been installed to monitor traffic movements and the Toll collection process. Both have digital recorders. The purpose of both systems is to discourage Bridge users from avoiding paying the Toll due or abusing the Company's staff.

3.9.2 The system also provides evidence which can be used to support a prosecution or other police action, and to support insurance claims against third parties who cause damage to the Company's property.

3.10 Introduction of Key Performance Indicators (KPI's) and other Measures to monitor the efficiency of the Toll collection process and wider operating expenditure

3.10.1 The Company has developed a set of KPI's and other information through which the Directors and Bridge Manager monitor performance against Budget and other plans. Based on this data, investigative and/or remedial action is initiated to address unsatisfactory performance.

3.10.2 Sets of KPI and other Reports are produced for each calendar month on a monthly and cumulative basis.

In particular, **Collection Efficiency** (CE) is monitored. CE is measured as follows:

$$\text{CE} = \frac{\text{Actual Revenue}}{\text{Expected Revenue}} \%$$

Actual Revenue is derived from the cash procedures (para 3.2)

Expected Revenue is derived from the Axle counter and Bridge Card systems (par 3.6)

Two measures of **CE** are produced:

CE1 is the Collection Efficiency for all Collecting Hours.

CE2 is the Collection Efficiency for all Collecting Hours except on those days when there was an event outside the control of the Bridge Manager eg power failure, equipment failure.

The Bridge Manager is eligible for a performance bonus based on CE2 performance against an agreed target.

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Staff Training Check List

<u>Safety</u>	
Button Alarm for Minor Incidents	
Panic Alarm for Major Incidents	
Keep Booth door locked at all times	
Phone System	
No Unauthorised member in / around Booth	
<u>Barrier System</u>	
Barrier Buttons & Pedals	
Swipe Cards	
Top Ups & How screen works	
Procedure for damage to barriers	
<u>Traffic Issues</u>	
Procedure for lorries over 7.5 tonne & over 12ft high	
Vehicle pricing	
Disabled drivers	
Buses, Tractors, Motor Bikes, Cycles	
Emergency vehicles	
Procedure for Non Payers	
<u>Paperwork</u>	
Shift changeover forms (Pink)	
Wages forms (Green)	
Registration forms	
Refund forms (Returned Bridge Cards)	
Overweight vehicle warnings	