

Mr G Weir
Company Secretary
Whitchurch Bridge Company
The Toll House
Pangbourne
READING
RG8 7DF

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Road Demand Management
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Dear Mr Weir

WHITCHURCH BRIDGE– TOLL REVIEW APPLICATION

1. I am directed by the Secretary of State to refer to the report of the Inspector, Mr M Heyes, who held a public inquiry on 2 June 2009 into an application by the Whitchurch Bridge Company (the Company) under the provisions of section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954, as amended by the Whitchurch Bridge Act 1988 to revise the tolls for the use of the Whitchurch Bridge between Whitchurch in Oxfordshire and Pangbourne in West Berkshire.

2. The existing traffic classifications, the tolls charged and the proposed tolls and traffic classifications are shown on the attached annex to this letter below.

3. The Secretary of State has considered the Inspector's report and his obligations under section 6(3) of the 1954 Act (as amended) that he must;

“...have regard to the financial position and future prospects of the undertaking and shall not make any revision of charges which in his opinion would be likely to result in the undertaking receiving an annual revenue either substantially less or substantially more than adequate to meet such expenditure on the working, management and maintenance of the undertaking and such other costs, charges and expenses of the undertaking as are properly chargeable to revenue, including reasonable contributions to any reserve, contingency or other fund and, where appropriate, a reasonable return upon the investment of the Company in the motor road and the ferry...”

4. The Secretary of State has considered the various representations against the application. The material points of these objections are set out in paragraph 1.5 & 4.7 of the Inspector's report. In summary, these are;

(a) that the proposed toll increases are excessive and are not related to general inflation and would have an inverse effect on the community, including residents, the local schools and businesses.

(b) Objectors had requested that the Inspector should consider “special circumstances” under section 3(2) of the Whitchurch Bridge Act 1988 to consider if the Company has used toll revenues other than those as required as specified in the legislation, & whether the proposed toll increase would be an unfair burden on regular users.

(c) that the proposed expenditure on maintenance is excessive and could be reduced if heavy lorries were not provided for.

(d) that the Company shareholders are making excessive profits.

(e) that the bridge should be taken out of private hands and made toll-free for the use of all.

5. The Secretary of State accepts the opinion of the Inspector on the representations made. Full details of the Inspector’s conclusions are set out in the Report. In summary, the Inspector’s responses to the above points raised are;

(a) The Inspector accepted that the proposed increase would fall heavily on some members of the local community who use the bridge. He added however that the Whitchurch Bridge Company is not a charity and operates under statute to maintain and operate the bridge. Also, he states that the increased cost of taking a diversionary route far outweighed the cost of paying the toll.

(b) The Inspector concluded that there is little evidence to suggest that the Company, is or has been in the recent past, operating in a manner which is not within their statutory remit, or could not be seen as acceptable and reasonable. He was satisfied that the special circumstances, as defined in the legislation do not exist, and concluded that toll revenues were being used as required under the legislation.

(c) Objectors had proposed that by further reducing the weight limit of vehicles using the bridge provision would not be needed for heavier lorries. The Inspector said that this would impose unacceptable safety risks and would not be cost effective. Essential works would need to be carried out by 2015, which would allow the bridge to maintain its current structural integrity.

(d) The Whitchurch Bridge Act 1988 allows for tolls to be charged in order to pay for the day-to-day costs of operating the bridge, to build up a reserve fund, or to repay loans required for its repair or replacement, and to pay dividends to shareholders. The Company has chosen to restrict the dividends to a maximum of 2.3% of the value of the Company’s assets. This is low in comparison with other regulated utility companies.

(e) There are no plans by Oxfordshire County Council to take over the bridge. Also, it is unlikely that the Council would consider this at the present time before the reconstruction work is carried out and paid for.

6. In conclusion, the Inspector states that he is satisfied that the proposals by the Company, for an increase in the maximum tolls to be charged for users of the bridge, are consistent with the legal framework governing the bridge. On this basis he recommends that the Secretary of State makes a Tolls Order in accordance with the terms proposed by the Company. The Inspector confirms that he has had regard to all matters raised, whether at the inquiry or in written representations, but they do not alter the conclusions he has reached.

7. On the basis of the evidence before him and having regard to his obligations under section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954, the Secretary of State is satisfied that the proposed toll revisions are justified. The Secretary of State has, therefore decided to make the Order.

8. A copy of the signed Order and the Inspectors report is attached for information.

Yours sincerely,

Jeremy Rolstone
Head of Road Demand Management

Schedule

Whitchurch Bridge Company – Proposed Revision of Toll Charges

Current level of Toll charges

1. Vehicles not exceeding 3.5 tonnes maximum gross weight 20p
2. Vehicles exceeding 3.5 tonnes maximum gross weight £2.00

Proposed level of Toll charges

1. Vehicles not exceeding 3.5 tonnes maximum gross weight 40p
2. Vehicles exceeding 3.5 tonnes maximum gross weight £3.00

Tolls will be permitted to be charged for motorcycles