

By email to [nationalcasework@dft.gov.uk](mailto:nationalcasework@dft.gov.uk)  
cc Aldwark Bridge Toll LLP ([amy@westwickgroup.com](mailto:amy@westwickgroup.com))

27 August 2024

Secretary of State  
Department of Transport  
Tyneside House  
Skinnerburn Road  
Newcastle Business Park  
Newcastle Upon Tyne  
NE4 7AR

Dear Sir/Madam

### **Aldwark Bridge Toll Application**

In accordance with the Statutory Notice published in the Easingwold Advertiser on 18<sup>th</sup> July 2024, Aldwark Area Parish Council hereby formally objects to the proposed toll increases.

Having consulted with residents in the parishes of Aldwark, Flawith and Youlton there is overwhelming dismay and concern about the proposed increase to the Aldwark Bridge toll fees. These are significantly above the level of inflation and will seriously impact upon regular users of the bridge. It is manifestly unfair for the bridge users to pay again for (a) the failures of the previous owners of the bridge to undertake maintenance, as set out in the 2005 Inquiry, and (b) for the failure of the Secretary of State to ensure the revenues generated were used for the purposes agreed and determined in line with Section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954. The new owners have also demonstrated a lamentable failure to carry out proper due diligence prior to purchasing the bridge to ensure that the costs of refurbishment were understood and reflected in the price paid.

The applicant has provided supporting documentation on the Aldwark Bridge website including an Accountancy Report (Appendix 2), a Traffic and Transport Report (Appendix 3) and a Structural Engineering Report (Appendix 4) alongside the determination of Inspector Heward and the Secretary of State which refused the previous application to increase the toll fees in 2022. It is clear from the documentation submitted that the applicant has failed to address the majority of the concerns previously raised by Aldwark Area Parish Council and the Inspector, and has demonstrably failed to justify the proposed increase in charges.

The Parish Council has considered the application and the supporting documentation and has multiple concerns about the application. We have listed out below the principal grounds of objection as follows:

#### **1. Traffic and Transport Report**

- 1.1 There is limited traffic usage data following the reopening of the bridge after the major programme of refurbishment which completed in February 2024. Consequently, there is no reliable data on which to make a robust forecast of future usage. The bridge reopened on 16<sup>th</sup> February 2024 with no advertising or

communication to local residents or parish councils. Traffic data has only been supplied up to 13<sup>th</sup> May and three months' data can hardly be considered as representative of future usage.

- 1.2 In the Inquiry Report compiled by Inspector Heward in August 2022 as part of the previous refusal to increase the toll fees, she stated that she was unconvinced by the evidence presented by the Traffic Consultant on behalf of the applicant. In particular, the Inspector noted:
  - The baseline traffic flow evidence was not sufficiently reliable to provide a robust basis on which to forecast future trends (S6.61). In particular, she noted that the 2005 Inquiry relied upon 3 years of data which showed that there were 2,000-2,200 weekday movements and 1,700-1,800 at weekends. This was a sufficient length of time to determine there were in the order of 700,000 vehicles using the bridge each year (S6.32).
  - Evidence was presented in relation to an application for an increase in tolls for the Swanage Ferry, where 5 years of pre-Covid-19 evidence was used to determine turnover projections going forward. This was again an example where multiple years of data was used to determine future volumes (S.60).
  - The Transport Consultant acknowledged that he had no traffic survey data to understand how traffic flows vary from month to month throughout the year and that it was difficult to make a firm judgement on whether any particular month was representative of the whole year (S6.56). This is again another reason why the Inspector concluded that small sample traffic flow evidence was not sufficiently reliable to provide a robust basis on which to forecast future trends (S6.61).
- 1.3 From the limited post-refurbishment traffic data covering part of February, March, April and part of May, it is clear that there is an upward trend in usage, no doubt due to users slowly realising the bridge has reopened and readjusting their travel habits accordingly. On the basis of using just the average April daily usage figure of 1,240 vehicles, this equates to annual usage of over 450,000 vehicles without any adjustment for future growth, which is significantly higher than the baseline figure used in the Accountancy Report (368,538).
- 1.4 The Inspector commented in her 2022 Inquiry Report that she would expect any traffic growth forecast to utilise Department for Transport (DfT) data models for the whole North Yorkshire region which in 2021 would be 9.4% by 2037. In the 2021 application, the Traffic Consultant had used lower values based upon the local area only. This, the Inspector concluded, was not sufficiently robust to predict future traffic levels across the bridge as it served a much greater region (S6.2 to S6.7). Conversely, rather than address this issue in the new 2024 application, the Traffic Consultant has forecast no traffic growth at all going forward.
- 1.5 The applicants have not allowed for any traffic growth resulting from local developments. Pertinent to this, North Yorkshire Council is seeking Secretary of State for Housing approval for the development of a 4,000-home new town with two

primary schools to the west of York, near the villages of Cattal, Whixley, Green Hammerton and Kirk Hammerton.

- 1.6 The application also fails to take account of traffic volumes outside the applicant's charging window. By doing this the applicant is seeking increased charges on fewer drivers. The Inspector, in the 2021 Inquiry, stated "There is nothing in the 2005 Toll Order (CD4.2) to prevent tolls being charged at other times and this Application does not propose any time limits. The period for charging tolls is at the discretion of the Applicant" (S6.24). The Inspector also stated, "It is a shortcoming that the traffic forecasting relies only on the ATC traffic flow data for the current daily charging period only" (S6.31).
- 1.7 The 2005 Toll Order also allows the applicant to charge a Toll for the crossing of Motorcycles. If the applicant chooses to allow Motorcycles a free concession, this should not be to the detriment of other vehicle users. Similarly, the applicant is choosing not to charge for overnight crossings to the detriment of daytime users. Any business case for increased toll fees should be based on total vehicle crossings regardless of the current charging hours.

## **2. Accountancy Report**

- 2.1 The Accountants have misquoted section 6 of the Transport Charges and c. (Miscellaneous Provisions) Act 1954 as the LLP does not have "share capital" (S1.2).
- 2.2 The Report states (S3.3) that the accountants have not checked any figures and have taken the information provided on trust. There has been no stress testing of the figures used nor a sensitivity analysis. There has been no independent confirmation of crossings or costs when creating the report. Furthermore, we have no evidence that the figures quoted as costs and income are in fact the real figures and consequently there should be some due diligence independent of the bridge owners to confirm the figures being shown are indeed accurate historical costs.
- 2.3 The Accountancy Report and 10-year projection table significantly downplay projected income coming into the business whilst significantly exaggerating multiple costs coming out of the business. On this basis, the Applicant stands to make a disproportionately large and grossly unfair profit to the detriment of the local community and bridge users.
- 2.4 The Report has averaged projected crossings at 368,538 (S4.3), with a consequent projected turnover over £368,538. This seems to disregard the current post-refurbishment usage figures and the growth forecast and therefore depresses the turnover figure. In addition, the report incorrectly assumes that all crossings are cars at a £1 toll when in reality, a sizeable proportion will be larger vehicles 3.5T-7.5T with a £2 toll.
- 2.5 The report exaggerates the company's outgoings right across all cost headings:

- 2.5.1 Wages/NIC/Pensions – The Report shows projected wages to be increasing by 8% every year for 10 years. This is unrealistic and bears no relation to the latest inflation figures and the Bank of England future forecasts (<https://www.bankofengland.co.uk/monetary-policy-report/2024/may-2024>). As well as unrealistic future projections, we challenge the baseline of £85,000 based on previous outgoings.
- 2.5.2 Light, heat, power (£2000/yr) – The £2000 figure projected is excessive compared to 2021 (£776) and 2022 (£63). Electricity consumption in 2023 was higher (£1822) due to the one-off refurbishment works. The Application should not use the 2023 figure as a typical figure to be expected in future years.
- 2.5.3 The Repairs and Maintenance provision (£25,000/year) and the Capital Reserve: Future Bridge Refurbishment provision (£50,000/year) is potentially double counting. Limited annual expenditure on repairs and maintenance is likely following the major programme of refurbishment and no evidence has been provided to support the Repairs and Maintenance provision. Similarly, whilst a sinking fund for future refurbishment is sensible, it seems an unreasonable exaggeration to expect £500k will be needed in 10 years' time.
- 2.5.4 Travel and subsistence (£1,200/yr) – Projected values are high compared to 2021 (£82) and 2023 (£918) and there's no information provided to justify this.
- 2.5.5 Advertising (£1,000/yr) – Projected values are very high compared to 2021 (£32) and 2023 (£0) when there was almost no advertising spend. Again, there is no information provided to justify this provision.
- 2.5.6 Accountancy fees (£3,000/yr) – Projected values are high compared to 2021 (£1,650) and 2023 (£913). Again, there is no information provided to justify this provision.
- 2.5.7 Legal and consultancy fees (£7,500/year) – Again, there is no evidence provided to support this provision. One-off costs associated with the Toll Fee Application should obviously not be used as a baseline for recurring annual costs.
- 2.5.8 Management fees (£20,000/year) – Projected values are high compared to 2021 (£1,000) and 2023 (£9,600). Like above, costs were incurred presumably for the failed toll increase application in 2022 but this was a one-off event, and the Application should not be projecting costs for this every year. Management fees should also be disregarded in calculating the net Return on Capital.
- 2.5.9 Depreciation at 4% against the original purchase price and the recent refurbishment costs should be removed. It is clear that the bridge, if

maintained, is an appreciating asset and depreciation should therefore not be applied. Inspector Heward ([S6.130 of the Inspector's Report](#)) noted that "There is little evidence to demonstrate that the bridge will depreciate in value. On the contrary the evidence indicates that even without being in a state of good repair the bridge is likely to appreciate in value." In addition, applying depreciation against the refurbishment costs and then including a Capital Reserve: Future Bridge Refurbishment provision is clearly double counting.

- 2.5.10 Whilst the Act allows a reasonable Return on Share Capital, we understand that profits from the bridge operation are tax-free and therefore the projected average blended return rate of 8.52% is excessive. The inflated costs across most headings and understated traffic/toll revenues combine to potentially significantly increase this return to highly excessive levels.

It is extremely concerning that the Applicant has sought to re-apply for an increase in the toll fees so soon after the recent refurbishment with little traffic data to support long-term projections. Further, the Application fails to address numerous concerns raised as part of the previous Application which was refused.

We trust these comments will be taken into account in the consideration of this application. Please acknowledge receipt of this objection.

Yours faithfully

Alison Pollock, Clerk  
On behalf of Aldwark Area Parish Council