

# Public Enquiry into Proposed Clifton Suspension Bridge Toll Increase

## Statement of Objection – Ian McKay

***The following summarises the key points made by Ian McKay at the Public Enquiry hearing on 29<sup>th</sup> May 2013 at 3.05pm.***

Rather than dwelling upon and questioning the details within the submission or the way the Bridge company is managed and its decision process, I would like to raise the discussion to the overall business case and approach for the toll increase. Having read the original submission and the revised application reflecting the latest financial accounts and projections, I believe the economic and business case for the proposed increase has not been made and as such the application should be rejected by the Minister. I have found the financial information, costs and assumptions in the application to be rudimentary and do not include sufficient information on the projected capital and operating costs beyond 2018. As such, the business case only spans a 5 year period (as the assumption is that a proposed increase is effective from 1/1/14). In Document 12, the £1 increase is shown to be the best option to balance the costs and expenditure over the period 2013-2018.

Mr Anderson stated that the costs for major project expenditure will decline after 2018 based on the current programme of works identified as all the major items will have been addressed. He also stated that there are many areas of the bridge infrastructure that are unknown and may fail in the future. As such, the business case should include an on-going annual provision for major works after 2018. If the costs were at the level of previous years (e.g. £1.5) then the proposed £1 toll increase *would not enough to sustain the costs of maintaining and operating the bridge to the required standards.*

In my own professional experience of planning and forecasting the capital and operating costs of historic and other large constructions, particularly where the infrastructure requires specialist engineering skills, costs tend to increase and, even with competitive tendering, fewer companies emerge to take on such work to the required standards with the associated risks from such a structure.

This scenario tends to push project costs upwards further and will add further pressure to the financial summary in the Application. Given CSBT have engaged a professional firm of engineering consultants to conduct periodic risk assessments and suggest a rolling programme of work for the Trustees to approve and schedule. As such, I would expect a rolling 20-25 year perspective of the potential capital and maintenance costs to be developed and shared with the Trustees.

This would be based on historical costs, known projects and areas identified for future work, the rising materials costs necessary as a result of the structure being Grade 1 and comparisons to other bridge structures in the UK and elsewhere.

I could question many of the assumptions on the bridge usage, the detailed running costs, including the Visitor's Centre, the need for some of the key projects and their timing and scope and the sensitivity analysis built in the economic case. There are some basic fundamentals shown in the financial projections:

- The income from Cash Tolls and Annual Tickets stays around £2.05m p.a. from 2018
- Visitor Centre income is estimated to be £80,000 p.a.
- Investment income from prepaid cards and other deposits (e.g. Emergency Reserves) is £230,000 p.a.
- Operating costs (incl. Visitor's Centre) are around £1.2m p.a. with an allowance for inflation.

**This leaves a net of £1.1m to cover major maintenance projects unless other sources of income are found.**

*However, these do not alter the fundamentals issue – this application is based on a short term 6 year view and as the above issues have not been addressed in the CSBT's document, they will have no other option but to request a further increase beyond 2018 to keep the bridge operational.*

## **Conclusion**

The current level of bridge usage appears to be consistent year on year and there is no expected increase as a result of residential or commercial developments on either side of the Bridge which would increase this. Those people who use the bridge daily and accept it as a main route in and out of Bristol do not wish to see the bridge close or develop into a tourist icon. As such, it is clear that more income is needed but should not be based ONLY on a toll increase. Additional financial support is needed – from Bristol City and North Somerset Councils as they have an obligation to keep the arterial road network open as today to control some of their own costs. If not from the Councils, then some central Government funding may be an alternative as would be finding a private or commercial benefactor or legacy.

**I believe the application should be refused at this juncture and the CSBT asked to address the longer-term operational viability of a toll increase and future costs and a plan of action to gain additional income from other sources.** This latter action will take time and consultation with the two Councils based initially on the profile of trips made. The latter can be extracted from the toll computer systems as the Bridge company has the address of the Bridge card being used and the direction and time of travel. This would help the understanding of the two Councils on their resident's use of the Bridge.

Any business case which requires DoT approval should be based on a demonstrating that the economic and business case has been subject to a full risk and sensitivity analysis, addresses the key strategic issues satisfactorily, spans a sufficient period (for major buildings and structures 20 years would be appropriate) and will not warrant a further application within that strategic period.