

## Written statement to Parliament Humber Bridge (Debts) Order 2011

Organisation: [Department for Transport \(https://www.gov.uk/government/organisations/departments/departments-for-transport\)](https://www.gov.uk/government/organisations/departments/departments-for-transport)

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Minister: **[Norman Baker MP](https://www.gov.uk/government/people/norman-baker)** (https://www.gov.uk/government/people/norman-baker)

Written statement by Norman Baker MP, Parliamentary Under-Secretary of State for Transport.



I am pleased to announce that I have today laid the Humber Bridge (Debts) Order 2011 before Parliament.

The Order provides for the interest rate payable on the debt owed by the Humber Bridge Board to the Department for Transport to continue to remain at the reduced rate equivalent to 4.25% on the total debt of £332 million during the period 1 April 2011 to 31 March 2016. The debt represents borrowing from government for the construction of the Humber Bridge and the subsequent capitalisation of annual deficits in the early years of its operation.

Without this Order, the interest rate payable on that part of the debt not suspended (£275 million) would revert to 7.75%, as set by the Humber Bridge (Debts) Order 1998.

The value of the interest rate reduction to the Humber Bridge Board amounts to £48 million over the five years, which the Board can use to fund maintenance and renewals and/or to make capital repayments.

This order demonstrates a major commitment by this government to the council tax payers, travelling public and businesses of the Humber area. Without it, the Humber Bridge Board would have been obliged either to surcharge council tax payers in the Humber area, or to increase the tolls on the bridge by as much as 60%.

The arrangement forms part of the base case for second phase of the Humber Bridge Review announced on 14 June, and is made separately to the process of the review, which is

now under way and on which the Economic Secretary to the Treasury and I will make a further announcement in November.

I have stated that the reduced interest rate on the loan is the equivalent of 4.25% payable on the entire debt of £332 million. In 2011/12 this will comprise 5.13% charged on the active portion of the debt (£275 million) and nil payable on the suspended portion of the debt (£57 million). As set out in the 1998 Order, the suspended portion of the debt will progressively be added back into the active debt over the three years to 2014. The interest rate will be reduced accordingly to equate to the 4.25% on the whole debt. Therefore the rate payable on the active debt in the three years 2011/12 to 2013/14 will be 5.13%, 4.82% and 4.52% respectively.

This Order is made under the provisions of the Humber Bridge (Debts) Act 1996, and comes into force on 9 August. Upon the coming into force of this Order, a revised loan agreement will be signed between the Secretary of State and the Humber Bridge Board.