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Mr Stephenson

HUMBER BRIDGE – TOLL REVIEW APPLICATION – HUMBER BRIDGE ACT 1971

1. I am directed by the Secretary of State for Transport to refer to the report of the Inspector, Mr Alan Boyland, who held a public inquiry on 8th -to 10th March 2011, into an application by the Humber Bridge Board under section 10 of the Humber Bridge Act 1971 to revise the maximum tolls payable for use of the Humber Bridge.

2. The existing and proposed toll maximum toll charges are shown on the table below;

	<u>Class of Traffic</u>	<u>Existing Toll</u>	<u>Proposed Toll</u>
1.	Motorcycle (with or without sidecar)	£1.20	£1.30
2.	Motor car Motor caravan Goods vehicles having a maximum weight not exceeding 3.5 tonnes	£2.70	£3.00
3.	Goods vehicles having a maximum weight exceeding 3.5 tonnes but not exceeding 7.5 tonnes Vehicle in Class 2 above with trailer Small bus (up to 16 passengers excluding driver)	£4.90	£5.40
4.	Goods vehicles exceeding 7.5 tonnes maximum weight with two axles Large buses	£10.90	£12.10
5.	Goods vehicles exceeding 7.5 tonnes maximum weight with three axles	£14.60	£16.20
6.	Goods vehicles exceeding 7.5 tonnes maximum weight with four or more axles	£18.30	£20.30

7.	Any other vehicle using the Bridge and not specifically identified in the above Classification shall be charged a toll by reference to the vehicle's maximum gross vehicle weight and number of axles. The toll charged for the vehicle shall not exceed the toll specified at 2 to 6 for a vehicle with the same maximum vehicle weight and number of axles		
8.	Pedestrians	Nil	Nil
9.	Pedal Cycles	Nil	Nil

3. The Secretary of State has considered the Inspector's report and his obligations under the Humber Bridge Act 1971; that he should have regard to the financial position and future prospects of the undertaking and that any Order made by him under Section 10 of the Act shall prescribe such tolls as in his opinion are reasonably required to be demanded, taken and recovered so as to produce an annual revenue not substantially less, nor substantially more, than is adequate to meet those purposes set out in Section 75 of the Humber Bridge Act 1959, which include to maintain and operate the Bridge, to repay the interest on the debt and to repay the capital borrowed.

4. The Secretary of State has also considered the various representations against the Humber Bridge Board's proposals received by the Department during the statutory objection period and the extension of the deadline given by the Inspector up until 31st January 2011. The material points of these objections are set out in paragraphs 1.7 of the Inspector's report. In summary, the objections are that;

- (a) The cost of travel for people on the South Bank of the River Humber when accessing health provision on the North Bank (due to the relocation of NHS facilities);
- (b) The cost of travel to work/education;
- (c) The impact of the tolls on the local economy or businesses;
- (d) That the actual cost of the Bridge has already been repaid many times over and the sums owing are simply interest;
- (e) The impact of the increase in tolls on the cost and provision of public transport;
- (f) The cost of travel to visit friends/family/to access recreation;
- (g) The damage to the environment caused by vehicles driving around the Humber estuary to avoid the tolls;

- (h) That the proposed toll increase is above inflation;
- (i) The proposed increase in tolls is indefensible;
- (j) A decision on tolls should await the outcome of the Humber Bridge Review;
- (k) Toll has a negative impact upon investment/regeneration in the Humber region;
- (l) The tolling equipment is inefficient.

5. The Secretary of State accepts the opinions of the Inspector on the representations made above. Full details of the Inspector's conclusions are set out in his Report – see Section 4.1. In summary these are;

For (a, b, c, e, f, g, k) above, the Inspector was made fully aware of the concerns expressed by objectors at the Inquiry on these issues and has acknowledged this in the report. However, he agreed with the Board's view that any resolution of the above issues is not within the statutory responsibilities of the Humber Bridge Board. Their application to the Secretary of State was solely to enable the Board to fulfil its statutory obligations.

(d & i) The Board's proposal to increase tolls is necessary to meet its statutory obligations. Section 75 of the Humber Bridge Act 1959 (as amended by Section 8 of the 1971 Act), sets out those purposes to which the Board must apply its revenues. These include a requirement to (a) repay the capital borrowed; (b) paying interest on the debt and (c) maintaining and operating the Bridge.

(h) The Inspector agreed with the Board's evidence which indicated that the proposed toll increase would be less than or equal to the change in the RPI over the period since the last increase in 2006 – and that the resultant tolls would maintain the value in real terms of the tolls in 1988.

(j) The Inspector stated that it had been indicated that the study will not be completed until the end of the year. After the conclusion of the review, it will also take some time to implement its recommendations – especially if they require primary legislation.

(l) The Board recognised that the existing 30 year old tolling equipment is deteriorating and not compatible with modern collection methods at many similar crossings. Funding for replacing and updating this equipment has already been included in the Board's maintenance projections.

6. The Secretary of State agrees with the Inspector that the proposed increase in tolls is necessary to meet the Board's obligations to maintain and operate the Bridge, and to repay the debt. On the basis of the evidence before him and having regard to Section 10 of the Humber Bridge Act 1971, the Secretary of State is satisfied that the proposed toll revisions are justified. The Secretary of State has, therefore, decided to make the Order.

7. Many of the concerns raised by objectors will be considered in the Humber Bridge Review, the Terms of Reference for which are being announced today.

8. A copy of the Order and the Inspector's report are attached for information.

Yours sincerely

M R FAWCETT
A Senior Civil Servant, in the Department for Transport