

Mr Tim Brimelow
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Department for Transport

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15 July 2024

Dear Mr Brimelow

Re: Aldwark Bridge Toll Review Application

Re: Section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954 for the Revision of charges by independent harbour undertakings, etc.

1. Introduction

1.1 This is an application by Aldwark Toll Bridge LLP (“the Applicant”) to raise tolls on the Aldwark Toll Bridge (“the toll bridge”) over the River Ure near Linton-on-Ouse, North Yorkshire pursuant to section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954 and Part 1 of the Aldwark Bridge Act 1772.

1.2 This application comprises:

- (1) This letter

Supporting information:

- (2) Inspector’s Heward’s Report and decision letter of Secretary of State in Application reference number DPI/P2475/21/4 (**Appendix 1**);
- (3) Accountancy report (Hawsons) (**Appendix 2**);
- (4) Traffic and transport report (LTP) (**Appendix 3**); and
- (5) Structural engineering report (Mason Clark) (**Appendix 4**).

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2. Factual background

- 2.1 The toll bridge is a privately owned toll bridge carrying a minor road over the River Ure some 16 km (10 miles) northwest of the City of York. The bridge provides the only crossing of the river between the A1237 York Ring Road and the B6265 at Boroughbridge, a total distance of some 26 km (16 miles) measured in a straight line but much further measured along the minor roads available as alternative routes.
- 2.2 The rivers of this part of the Vale of York include the River Nidd, the River Ure and the River Swale, which combine to form the River Ouse upstream of the City of York. The road bridges over these three rivers are some distance upstream of their confluences. As a result, there is a large approximately rectangular swathe of country bounded by the villages of Boroughbridge, Brafferton, Skelton and Green Hammerton which is without any cross-cutting through road except Aldwark toll bridge.
- 2.3 The bridge approaches on both sides consist of about 75 m of brick arches across the flood plain. The river crossing consists of four 13-15 m spans of upstand lattice trusses supported on intermediate iron columns. The two-layer timber deck of the river crossing sits on steel crossbeams which are bolted to the bottom flanges of the lattice trusses.
- 2.4 The bridge is only wide enough for one-way traffic and vehicles must wait at the approaches in order to allow opposing traffic to pass. The informatory and mandatory approach signs to the bridge from both directions show that there is a weight limit of 7.5 tonnes.

3. Legislative provisions

- 3.1 The Aldwark Bridge Act 1772 authorised the construction of a bridge to replace a ferry across the River Ure from Great Ouseburn to Aldwark. Responsibility for maintenance of the bridge rests with the owners and not the highway authority and is to be financed out of tolls collected. Any increase in tolls has to be authorised by later Act of Parliament or by Statutory Instrument, most recently in accordance with section 6(3) of the 1954 Act which provides as follows:

“In making any order on an application under this section, the Minister shall 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 paid up share capital of the undertaking:

Provided that where the Minister is satisfied that, in view of the financial position of the undertaking during such period immediately preceding the application as may appear to him appropriate, there are special circumstances affecting the undertaking, the Minister may make such revision of charges as he may consider just and reasonable in the light of those special circumstances, notwithstanding that it is in his opinion likely to result in the undertaking receiving an annual revenue substantially less than adequate for the purposes aforesaid.”

- 3.2 Breaking the statutory provision down, the Applicant would identify the following elements:
- (1) the Secretary of State shall have regard to the financial position and future prospects of the undertaking
 - (2) the Secretary of State shall not make a 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
 - (a) working
 - (b) management; and
 - (c) maintenance of the undertakingand 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 paid up share capital of the undertaking
- 3.3 Accordingly, in responding to an application from the Applicant, the Secretary of State shall have regard to the current financial position and future prospects of the owning company and to its proposed annual revenue to ensure that it would not be substantially less or substantially more than adequate to meet expenditure.
- 3.4 Allowable expenditure is defined as being 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. These may include reasonable contributions to any reserve, contingency or other fund and where appropriate a reasonable return upon the paid-up share capital of the undertaking. The controlling requirement is that “such other costs, charges and expenses” have to be properly chargeable to revenue. The current financial position and future prospects of the Applicant are the only matters to which the Secretary of State is required to have regard.

4. Toll increases at Aldwark

- 4.1 The most recent increase in tolls for the toll bridge was in 2005, following an application by the then owners and a local inquiry. Pursuant to the 2005 Order, tolls were increased to:
- (1) 40 pence per crossing for vehicles weighing less than 3.5 tonnes; and
 - (2) £1 per crossing for vehicles up to the weight limit of 7.5 tonnes.
- 4.2 By an application dated 8 September 2020, the Applicant made a previous application to increase tolls on the toll bridge (application reference number DPI/P2475/21/4). As can be seen from **Appendix 1**, following an inquiry in 2022, Inspector Heward recommended that the Applicant had failed to satisfy the statutory conditions in section 6(3) of the 1954 Act and recommended that the Secretary of State refuse to make a Toll Revision Order. In her decision letter dated 30th September 2022, the Secretary of State agreed with the Inspector and decided that the application for a Toll Revision Order should not be approved.

- 4.3 The Applicant has paid very careful attention to the concerns expressed by Inspector Heward and which were accepted by the Secretary of State. This current application responds to all such concerns and seeks authority to increase tolls over a 10 year period (calculated by reference to the date of any Toll Revision Order) in accordance with the following schedule:

Proposed Schedule	Proposed Toll			
	Year (anniversary of date of revision Order)			
Vehicle class	1-3	4-6	7-9	10
1. Motorcycle with no more than 3 wheels	Free	Free	Free	Free
2. Passenger vehicle with an operating weight not exceeding 3,500 Kilograms	£1.00	£1.20	£1.30	£1.40
3. Passenger of goods vehicle with a trailer or an operating weight exceeding 3,500 Kilograms	£2.00	£2.20	£2.40	£2.60

5. Supporting evidence

- 5.1 The Management of the Applicant is requesting an uplift to toll fees to ensure that the toll bridge can continue to operate on a commercially viable basis and to ensure a comprehensive ten year budgeting plan for the on-going maintenance works required to keep the bridge in good working order for many years to come.
- 5.2 With regarding to traffic and transport matters, at the time of the 2022 inquiry, concerns were raised about the potential for local developments to notably increase traffic flows over the bridge. For the reasons set out in the report by LTP:
- (1) the potential use of RAF Lindon-on-Ouse as an asylum reception centre was understood to be under consideration by the Home Office. However, these plans are now understood to have been axed and therefore no longer under consideration (as reported in national press 01/10/2022: www.bbc.co.uk/news/uk-england-york-north-yorkshire-63089104). Any redevelopment of the RAF base would require planning consent with no current planning applications lodged with the local planning authority (North Yorkshire Council);
 - (2) There have been a number of planning permissions relating to developments at Aldwark Manor Hotel over recent years. Some permissions are understood to have been completed, with no appreciable impact on traffic flows over the toll bridge. None of the recent planning permissions have required any form of transport appraisal and it is reasonable to assume that the potential traffic increases associated with any of the schemes would not be significant. Any potential to increase traffic flows across the bridge are also not expected to be significant; and
 - (3) there are no major planned new developments in the local area. There are no housing/employment/mixed/community allocations in Aldwark, Alne, Newton-on-Ouse,

Tollerton or the surrounding areas (classified within the ‘Easingwold Area’ of the Local Plan) in the adopted (February 2022) Hambleton Local Plan (HBC, 2022). Similarly, there are no notable site allocations in the surrounding area within the Harrogate Local Plan (HBC, 2020), albeit with some small housing allocations in Marton-cum-Grafton (MG7 – 12 dwellings & MG8 – 20 dwellings) that would not be expected to generate a notable level of traffic, specifically on Aldwark Bridge. There have been no changes to the Local Plans for Hambleton or Harrogate since the 2022 inquiry.

- 5.3 Monthly income from bridge tolls since reopening has been very similar to the levels recorded at the time of the 2022 inquiry, and also very similar to the levels recorded prior to the April 2023 closure. A permanent traffic counter was installed and commissioned on the bridge on 3rd November 2022. Full data is available covering the period until 13th May 2024.
- 5.4 Traffic flows were zero or negligible (e.g. bridge repair vehicles) during the period of the bridge closure (17/04/2023-15/02/2024) with incomplete data recorded the day following reopening (16/02/2024) and for the first week after installation of the traffic counter (03/11/2022-09/11/2022). Excluding these days, daily traffic flow data is available for 246 days, including 159 days prior to the bridge closure and 87 after. Traffic flow levels appear to be consistent and follow expected patterns.
- 5.5 There has not been a noted increase in traffic flows over the bridge since the 2022 inquiry, which is consistent with the lack of increase recorded nationally. There has not been a change in national traffic levels over the circa two years since the 2022 inquiry. In fact the overall trend appears to reflect that current traffic flows nationally are comparable to the pre-Covid period, with no noted change since the 2022 inquiry.
- 5.6 As set out in the supporting evidence of (1) Mason Clark and (2) Hawsons, the Applicant has recently undertaken a significant refurbishment of the bridge, costing in excess of £700,000, with total capital now employed being a total of £2,090,829. The toll bridge has many known (or reasonably known) fixed costs and the Applicant has now owned the bridge for a number of years so can reliably forecast on future costings based on recent historic levels of expenditure.
- 5.7 Ultimately with consistent levels of traffic flow and a strong estimate of future expenses, this provides the Applicant with an intuitive estimate of where toll fees need to be for future periods set out in the ten year plan.
- 5.8 The Applicant feels that a planned and regular interval to review tolls fees periodically is the right course of action to ensure delivery of a sustainable ten-year plan for the bridge. The toll bridge has not had an uplift in toll fees for a considerable amount of time and at current toll fee levels this is not commercially viable.
- 5.9 The Applicant has historically chosen not to charge for motorcycle crossings. The reviewed toll fees formalise this position, confirming that motorcycles with no more than three wheels can cross for free. The Applicant does not consider that charging for motorcycles would have any effect on future revenue from the toll bridge due to the very low number of motorcycle users. The future revenue of the toll bridge as dealt with in the report from Hawsons has been assessed on the basis that motorcycles will not be charged.

- 5.10 Expenditure assumptions, other costs, depreciation and future refurbishments are dealt with in the report from Hawsons. In her report, Inspector Heward raised specific concerns regarding what a reasonable rate of depreciation for the bridge might be given that it is a listed heritage asset. As is the case with all accounting policies, this can be subject to management bias and for the purposes of this application, all depreciation costs have been eliminated from the return on capital calculations.
- 5.11 In accordance with Section 6 of the 1954, the Applicant is permitted to a reasonable return on capital. This is not currently being achieved and the bridge is not commercially viable.

Historic return

- 5.11 Over the last three years the return on capital returns have been as follows:
- Year ended 31 July 2021: -2.98%
 - Year ended 31 July 2022: -10.36%
 - Year ended 31 July 2023: -2.72%

Current return

- 5.12 On a normalised annual income and expenditure basis, at current income and expenditure rates and levels, the anticipated return on capital is as follows:
- Normalised annual return: -2.93%

Proposed return

- 5.13 On a normalised annual income and expenditure basis, at proposed income and expenditure rates and levels, the anticipated return on capital is as follows:
- Normalised annual return: 7.65%
- 5.14 Over the course of the ten year plan period, the blended average rate of Return on Capital is 8.52%. This would represent a reasonable rate of return for the bridge owners which is in accordance with the provisions of section 6(3) the 1954 Act.

6. Other matters

- 6.1 Considerable evidence was presented at the previous inquiry, much of which was not contested. Accordingly, in this application, reference is simply made to Inspector's Heward's conclusions in relation to:
- (1) Engineering evidence (physical condition and works required); and
 - (2) Heritage.

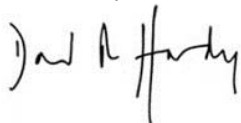
7. Concluding remarks

- 7.1 The directors of the Applicant are in an unenviable position, with a conflict of duties and responsibilities. As long term owners, they accept that they have a moral duty to help the

community and to keep this important link available. The bridge carries a public right of way and there is a statutory duty not to obstruct it. On the other hand, all company directors have a duty not to let a company become insolvent and pursuant to the legislation are entitled to make a reasonable return.

- 7.2 The Applicant is permitted to a reasonable return on capital. As is clearly, the case, this is not currently being achieved and the bridge is not commercially viable. The purpose of this application is to put the toll bridge on a sound financial footing, ensure that it is available for safe passage by the local community, provide certainty for a 10 year period and to create a reasonable return on capital for Management of the Applicant.
- 7.3 On the basis of the evidence which forms part of this application, the Applicant has clearly satisfied the statutory conditions in section 6(3) of the 1954 Act and respectfully requests that the application for a Toll Revision Order is granted in the form in which it has been sought.

Yours sincerely



David Hardy

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