

Whitchurch-on-Thames Parish Council.

**Public Inquiry into Application by the
Whitchurch Bridge Company to increase the Tolls
over the Whitchurch Toll Bridge**

2nd and 3rd June 2009

**Statement of Vincent Aldridge
Vice Chairman of the Whitchurch-on-Thames
Parish Council**

1. **I am Vincent Aldridge, Vice-Chairman of the Whitchurch on Thames Parish Council.** I have been authorised to represent the Parish Council (“the Council”) at this inquiry. This Statement explains the Parish Council’s objections to the Whitchurch Bridge Company’s Application to increase the tolls over the Whitchurch Toll Bridge in July 2009. I am a School Teacher in Oxfordshire and I have lived in Whitchurch all my life.

2. The Council fully appreciates the importance of the bridge to the local community, and recognises that it is essential for the bridge to be properly maintained and replaced or reconstructed when engineering advice indicates that this is necessary. However, the Council thinks that the proposed toll increases are excessive and impose a significant and ongoing burden to the local community in an attempt to compensate for the Company’s failure to make due provision to fund the reconstruction of the bridge.

3. The Council considers that the Company should agree to a significant and maintained discount until the bridge is rebuilt and thereafter. The undertaking offered in Mr Beckley’s Statement (at paragraph 11), that a minimum 50% discount for card holders will be maintained until 2012, and a minimum 25% discount thereafter, is not sufficient for frequent users of the bridge given the proposed high cash toll rate. Nor has any mechanism been suggested whereby the undertaking could be enforced by the Council, or indeed anyone else. In the past, concessionary toll agreements have been entered into by the Company and the Council which guaranteed discounted crossing rates for local residents, but no such agreement is proposed now.

4. The Council believes that the proposed toll increase is the result of the Company’s failure to “make due provision for the maintenance and renewal of the bridge”, as required by section 7(1) of the Whitchurch Bridge Act 1988 (“the 1988 Act”). It is unfair on local people to raise what is in effect a significant local tax in order to solve the Company’s difficulties.

5. We are unhappy that the concessionary toll for local people was removed in 2005 without any discussion with local Parish Councils, and that the Company have refused to re-instate this since that time in preference to the card discount that currently exists for the benefit of all bridge users.

6. We have taken legal and accountancy advice and have also submitted a Memorandum from Jim Kerevan (“the Memorandum”) in which the accounts of the Company of Proprietors of Whitchurch Bridge for the years 2004 and 2008 are considered.

The Parish Council is of the opinion that the proposed increase in the toll is excessive.

7. The cash toll was doubled from 10p to 20p in 2005 and it is proposed that it will double again four years later in July 2009. This toll represents a considerable amount of money when taken over the whole year for local people many of whom have to use the

bridge several times a day to go to the shops, banks, medical centre, schools, railway station and other essential services in Pangbourne and further afield. Most of these services are only conveniently available on the Berkshire side of the river. We recognize that the Company has to rebuild the bridge; however the proposed high toll is an inappropriate method of funding a long-term capital infrastructure project.

The Parish Council believes that contrary to its statutory obligations the Company has failed to build up sufficient funds in the Bridge replacement fund to pay for the reconstruction of the bridge (as acknowledged in paragraph 3.1 of its Application).

8. It seems extraordinary that, 106 years after the present bridge was built and only 6 years before the Company have been advised by their independent advisors, OCC, that the bridge must be reconstructed, that there is such a large shortfall in the reserve fund. The Company is obliged to put money aside into a reserve fund (as specified in section 7(1) of the 1988 Act) in order to fund the replacement of the bridge.

8. The latest estimate of the replacement cost stated in the accounts of 2008 was £3.54 million and the cost of reconstruction stated to be £3.22m. As we understand it, the reserve fund on 30.7.08 amounted to £1.86 million (Application Appendix 5, first column "Replacement and Reserve Fund" – although the Statement of Reasons at paragraph (i) on page 5 refers to a sum of £1.4m), and the amount of investments was £1.43 million. We believe that the latter sum forms part of the reserve fund, but (if this is correct) we are unclear as to what funds make up the difference between the two figures.

9. In any event, the reserve fund is insufficient to meet either the cost of replacement or reconstruction.

10. The Company's accounts reveal that for many years insufficient sums have been transferred to the Reserve fund and invested. In 2008, for example, the accounts show that only £5,000 was put into the reserve fund and this after £49,000 was paid in dividends. This was a wholly inadequate sum to be applying to the reserve fund at that time. Since 2004, the estimated cost of re-building has been steadily increasing. The Memorandum explains that the reserve fund stood at £1.4m in 2004 and has only risen by a relatively small amount to reach £1.86m in the 2008 Company accounts despite doubling the tolls in 2005.

13. The most significant rise in the estimated cost of rebuilding the bridge was in 2005 when the method of estimating this cost changed. This should have alerted the Company to the need to increase payments into the reserve fund from that time and ongoing. This was not done and this failure is not explained in the Company's Application.

14. We would also like to question why, only a few years before reconstruction would be required, the Company did not have a proper cost estimate for reconstruction and a more accurate method of assessing this figure before.

The Parish Council is concerned that the Company has not used the correct priorities for the income from the tolls and that a higher proportion should have

been used for investment in the bridge replacement fund and not paid to shareholders in dividends.

i. Payment of Dividends

15. The relevant Acts of Parliament governing the management of the Bridge namely the Whitchurch Bridge Acts 1792 and 1988 are unambiguous about the priorities which should apply for the utilization of income from the tolls.

16. It is plain from the order of priorities set out in section 4 of the 1988 Act that dividends may only be paid out of “any balance remaining” once (amongst a number of other requirements) contributions have been set apart to the reserve fund (see section 4(g)). Despite this, the Company continued to pay dividends at a time when it was known that the reserve fund would be inadequate to fund the replacement or reconstruction of the bridge. The contributions that must be set apart to the reserve fund must of course be sufficient to ensure that “due provision for the maintenance and renewal of the bridge” is made under section 7(1).

17. This order of priorities seems to the Council to be entirely consistent with the reference in section 6(3) of the 1954 Act to the Minister, in having regard to the “financial position and future prospects” of the Company, being required to take account of such costs, etc, “as are properly chargeable to revenue, including reasonable contributions to any reserve ... fund and, where appropriate, a reasonable return upon the investment of the Company ... in the bridge” (underlining added).

18. The Council would therefore like to draw attention to the fact that, despite the Company’s knowledge of the substantial increase in the estimated cost of reconstruction since 2004/5 and the shortfall between the reserve fund and the estimated reconstruction cost, it has continued to pay dividends to its shareholders.

ii. Dividend increases

19. The dividends have increased in the last 2 years from an annual amount of £30,000 since 2004 to £42,000 in 2007 and £49,000 in 2008. The amount that must be transferred to the reserve fund is not defined in the 1988 Act, but we think that it is imprudent of the Company to increase the dividends paid to Shareholders at this time or indeed to continue to pay dividends at all.

20. It seems clear from the 1988 Act that the Company should not pay dividends unless it is satisfied that it has met all expenses and sufficient sums have been transferred to the Reserve Funds. This was clearly not the case at the time the dividends were paid. Dividends seem to have been paid each year and then the balance of the profit for the year paid into the reserve fund, even though this was insufficient for the future replacement or reconstruction costs. This is precisely the wrong way round.

iii. Investment income from reserve fund

21. We would also like to draw attention to the use of the income arising from investment of the reserve fund.

22. The Company claims that dividends are paid out of toll income, but in reality, in the year to 30th June 2008, a dividend was paid effectively out of investment income (Memorandum p 6), since the dividend payment of £49,000 in that year was made only after investment income of £85,000 was added to the operating loss of £30,000. This appears to be contrary to section 7(3) of the 1988 Act, which gives a power to invest the reserve fund, and to reinvest the proceeds of such investment; but does not allow the payment of dividends out of those proceeds.

23. Therefore the payment of a dividend in the year 2007/8 was, at best, very imprudent at this time and may be contrary to the provisions of the Act. It seems to the Council that the Company has adopted a policy of paying a 2.3% dividend on the net assets of the company whatever the other financial circumstances of the Company may have been at the relevant time.

iv. Dividend yield calculations

24. We do not understand why the Company bases its calculations of dividend yield on the net assets of the Company.

25. The 1954 Act, section 6(3), as amended in its application to the Company by section 3(1) of the 1988 Act, makes reference to “a reasonable return upon the investment of the Company ... in the bridge”. It is apparent from the Statement of Reasons, at Appendix N, that the Company takes the view that “the investment of the Company in the bridge” equates to the total net assets of the Company. It is unclear to the Council why this should necessarily be the case.

26. It is stated in the application that a dividend of 2.3% is well below the 6-10% expected from similar regulated industries. It is Mr Kerevan’s opinion (Memorandum pages 6 and 7) that dividend yields would normally be calculated on the value of the shares in issue, which may or may not bear any relationship to the net assets of the company. As the value of shares is generally based on the price the shares would realize on an open market, it is unlikely that a potential shareholder would pay the present asset value when the Company has to reconstruct the bridge at a cost of £3.5 million by 2015.

26. If the dividend yield were based on the amount the shareholders themselves have paid into the Group for their shares (the shareholders’ investment in the Company is £436,000) the dividend yield would be 11%. If it is based on the assets relating to the present bridge on the 30th June 2008, excluding the investments set aside for the future reconstruction it would be 6%.

27. The Company therefore appears to have interpreted the reference to “the investment of the Company in the bridge” in section 6(3) to allow them to include the investments which have accumulated to meet the future costs of the new bridge in their calculations of a reasonable rate of return for shareholders. This seems to us without doubt to be open to question.

v. Depreciation

28. The Company would appear to have adopted a depreciated replacement cost policy which we have not found easy to understand. For example, in the year 2004/2005

when the largest increase in the estimated cost of reconstruction was seen (£1.79 million to £2.89 million) no charge for depreciation was made.

29. As one of the important functions of a depreciated replacement cost policy would seem to be to ensure that sufficient reserves are set aside to meet the cost of the new bridge, this policy has to be questioned.

30. This issue is explained in greater detail in section 6 of the Memorandum.

31. **In summary** the total amount of dividends paid in the last 5 years is £181,000, which the Council thinks should all have been added to the reserve fund. It may well be the case that greater sums could have been added to the reserve fund in earlier years as well. It seems extraordinary that, over 100 years after the present bridge was built, the Company finds itself in a position where it is now necessary, only 4 years from the date when the bridge requires reconstruction, to more than double the amount of the reserve fund in order to be able to fund those works.

32. In the Statement of Reasons Appendices L and N (Financial Management and Business Model and Dividend Management) there are projections of profits and dividend payments until June 2013. It is in the Council's opinion not reasonable to budget for these increased dividends when there is a recession and there are inadequate funds for reconstruction of the Bridge in 2013.

33. Nor is it reasonable to seek to double the tolls and to expect the local community to contribute to the future profitability of the company which will allow for increased and significant dividends for the shareholders in the future after 2013.

We think that the proposed toll increase is an inappropriate method of financing such a large proportion of this long-term capital infrastructure project.

34. The Application states that the Company is planning to take out a loan for only 25% (30% in the more recent Statement of Reasons) of the cost of rebuilding the bridge to supplement (a) the income from the proposed increased tolls in the next 5 years, and (b) the existing Bridge fund which stood at £1.86m in June 2008.

35. The Company's Application does not explain the basis for its assumption (see paragraphs 4.8.1 and 5.6 of its Application) that only 25% - 30% of the cost of reconstructing the bridge will be met by a loan. The Council thinks that it would be more appropriate, given the 100-year life of the new bridge and to reduce the immediate burden on those living in the village, that a significantly greater proportion of the cost should be financed by a loan, which should be paid back over 20 years at least.

36. The application sets out three alternative scenarios for borrowings by the Company to rebuild the bridge in 2013: of £1.9m, £1.3m and £1m. The application also includes, at Appendix 5, Summary Income & Expenditure, Cash Flow and Balance Sheets for the 7 years from 2007/08 to 2013/14. Recently, in response to a request from the Council and since Mr Kerevan's Memorandum was prepared and submitted, the

Company has provided a further version of Appendix 5 which includes an additional column for 2014-15, which will be the first full year of operation following the bridge reconstruction. In relation to the "Proposed Tolls" sheet of this document, dividend payments are shown at £90,000, which is 2.6% of total assets, leaving a retained profit of £96,600, which is added to the Replacement and Reserve Fund, which by now stands at some £3.45m. The Council wishes to raise the following questions about this:

- (i) It does not understand why such a large sum continues to be shown for the Replacement and Reserve Fund, when the fund will just have been spent on the reconstruction of the bridge;
- (ii) If it is correct, as a matter of accounting practice, to show the fund in this way, then the Council does not understand why it is necessary to retain a maintenance and renewal fund at such a high level at a time when the bridge has just been reconstructed with an intended design life of 120 years (see Appendix 1 to Application (OCC letter dated 24th October 2008) p viii);
- (iii) Even if it was advisable to continue to make some provision for a reserve fund following bridge reconstruction, the Council does not see why a large part of the £3.45m (including the £96,000 retained profit) should not be used to pay off the Company's loan, or to reduce the tolls. Otherwise the Council is concerned that it could be used to pay excessive dividends to shareholders.

The Council therefore thinks that this additional information bears out its belief that profit levels may be very high once the bridge has been reconstructed. This would be at odds with the interests of the local people who will still be paying very high tolls.

Other methods of raising funds

37. The Council would have liked to be have been assured by the Company that all avenues to raise funds to cover the deficit that the Company are now facing had been explored. However, we do not see any evidence in the Company's Application, or the Statement of Reasons, that this has been done.

Other measures to raise funds would seem to us to include:

- i. Maximizing the borrowings, ie borrow more than the proposed amount of £1m.
- ii. Asking the shareholders to contribute, possibly by way of a rights issue. The Shareholders will remain owners of the bridge after it is re-built and should contribute to the reconstruction.
- iii. Issuing new shares to the public
- iv. Approaching local residents to see if they would be prepared to acquire shares to provide them with a number of free or subsidized passages across the bridge.
- v. Selling the bridge to a Public Authority, which because of the importance of the bridge to the local community may be prepared to subsidize tolls in the future.

The Parish Council suggests that if the toll was to be increased to 40p the Company would have an excessively high income from the tolls after the bridge was re-built.

38. There is no suggestion in the Application that the toll will reduce once the bridge has been reconstructed and the loan repaid. In fact it is suggested that the toll discount will fall from 50% to 25% after the bridge is re-built. The next bridge re-build will be in many years' time as the new bridge should last 100 years.

39. This means that the Company may, if the Secretary of State approves the current application, receive significantly more income from tolls than it needs in order to meet its costs, charges and expenses, and to achieve a reasonable return on its investment in the bridge. This would be contrary to the approach that the Secretary of State is required to take by section 6(3) of the 1954 Act. If permission is granted to increase the toll at all, we believe that this should be a temporary measure and that the Secretary of State should give consideration to requiring, as part of his approval, that the tolls should reduce again once the bridge has been rebuilt. We believe that the Secretary of State may have the power to do this, given that section 6(2) of the 1954 Act enables him to "make an order revising in such manner as he may think fit, with effect from such date as may be specified in the order, all or any of the said charges".

40. The implications of the proviso to section 6(3), which appear to have been ignored by the Company, are considered in my "Conclusions" below.

The Company has declined to negotiate with the Parish Council about giving a binding commitment to charge reduced tolls for frequent users of the bridge who purchase Bridge Cards.

41. When the Council was advised by the Company that it was applying to increase the toll prior to the publication of its Application, we requested that the Company grant the local Parish Councils (Whitchurch, Goring Heath, Woodcote and Pangbourne) a legally binding guarantee that they would limit the bridge card discretionary rate to a fixed maximum amount if the cash toll were to be increased to 40p. This was declined on the grounds that they face uncertainties in the calculation of their funding requirements. It is these uncertainties and the manner in which they will be dealt with that is giving the Council greatest concern.

42. If the 40p cash toll for class 1 vehicles is permitted, the Company propose that the discount will not be less than 50% up to 2013, and thereafter not less than 25%, so the card toll may be 20p in 2013 and this may rise to 30p at or after this time.

43. I have already said that, in the Council's view, these levels of discount are insufficient, and that no indication has been given as to how Mr Beckley's proposed undertaking would be made legally enforceable. The estimates of the likely cost have increased substantially over the last 5 years. The Council is concerned that the cost of reconstructing the bridge could increase beyond the current estimate and that if the cash toll were set at 40p the discretionary card toll would increase to a much higher proportion of this and card holders could be paying an amount approaching 40p per crossing. The Company would only have to maintain a narrow margin below 40p to encourage the use of bridge cards.

The Parish Council was not consulted when the Company stopped the local resident's discretionary toll in 2005 in favour of a card toll for all frequent users. We were very unhappy about the removal of the concession and the manner in which this was done.

44. In 1987 the Council withdrew its objection to the Bill that the Whitchurch Bridge Company was promoting through Parliament, which subsequently became the 1988 Whitchurch Bridge Act, on the basis of a number of assurances from the Company to the Parish Council.

45. Following this, a concessionary Toll Agreement was signed by the two parties on 10.1.1989. This guaranteed a concessionary rate to the people of Whitchurch of half the normal single crossing toll on condition that the Council withdrew its objection to the Company's application to increase the tolls in 1989.

46. This agreement was replaced by a similar agreement between the same parties in 1993 after the 1993 public Inquiry.

47. The Company wished to promote a good relationship with the local community so the area to which the Toll concession was available was enlarged to include Goring Heath, Woodcote and Pangbourne and the toll discount reduced to 25%.

48. In 2005 the Company applied to the Department of Transport to double the toll to 20p. Despite the fact that the Company had a website, met on a regular basis with the four local parish councils, submitted articles for the Whitchurch on Thames Bulletin and the Company secretary was Chairman of the Whitchurch Parish Council at the time, none of these possible methods of communication was used to inform the local Parish Councils that application had been made to increase the Toll. All of these communication channels are referred in the Company's Statement of Reasons Appendix C Further Information: Communications.

49. It is regrettable that none of these communication channels was used on this occasion. A minimalist approach to consultation was adopted and a notice appeared in the back pages of two local newspapers, these were missed by all the local Parish Councils. One objection was received by the Secretary of State and this was formally withdrawn when an agreement was reached whereby special discounts were agreed to apply to tractors using the bridge: see paragraph 11 of the letter from the Department of Transport April 2005 Proposed Revision of classification and toll charges.

50. The application was therefore determined without a public Inquiry. Bridge users only became aware of this matter when the doubled toll charge was approved by the Secretary of State and the increased tolls published on the Bridge. The local concession was discontinued and replaced by a card system without any consultation. The card system was considered by the Company to be an easier system to operate and was introduced to reduce operating costs.

51. We feel that this has led to poor relations between the Company and the local parishes and was against the spirit of all previous agreements between the parties concerned.

52. The Company has refused to re-introduce a local resident concession despite requests from the Parish Councils to do so since it ceased in 2005 on the basis that it is potentially open to abuse and thus a loss of revenue for the Company. We believe that this could be administered without significant risk to the Company as the system is now fully automated and the issuing of this concession to card holders could be based on their post code.

53. We would therefore like the Company to re-introduce a discount for Whitchurch and Goring Heath parishioners to reduce the impact on them of the potentially increasing tolls.

The Parish Council is concerned that there is no mechanism by which the Company would be obliged, if its Application to increase the tolls was allowed, to reconstruct the bridge in 2013, which is the basis on which the Application is made.

54. We would like an assurance from the Company that the bridge will be re-built in 2013/14 as proposed.

55. Since 1993 timescales have been suggested for the bridge reconstruction and these have been successively delayed. I refer to the Secretary of state's decision letter following the Public Inquiry of 1993 Inquiry when it was suggested that the bridge should be replaced by 2008 at least. Our concern is that similar delays to the proposed reconstruction will occur in 2013/14. In this event the proposed toll increase will not have been justified.

It appears from the Application that it would be possible to prolong the life of the existing bridge by reducing the weight limit to 3 tonnes (Application para 3.7.1).

55. Whilst the Application claims that this would not be acceptable under its Acts or to the local community, the Council is not convinced that this is so. If a reduced weight limit would enable the reserve fund for bridge reconstruction to be built up over a longer period without the excessive increase in tolls that is being proposed, this could provide a satisfactory shorter-term solution. Once the bridge was reconstructed, the existing weight limit of 7.5t could be reintroduced.

Conclusions

56. There is no guarantee that the discount will remain in place, or if it does the amount of the discount. An undertaking has been offered, but it is not clear whether this would be legally binding.

57. In any event, the amounts that would have to be paid by residents of the Parish to cross the bridge would be punitive, whether or not an enforceable undertaking were to be given. Many local people need to cross the river at least once a day, and in many cases more often than this, in order to go shopping in Pangbourne or Reading, get to work, take children to school, access the M4, etc. Several members of the same family may also need to use the bridge one or more times a day. Assuming a 40p toll discounted by 25% for card holders, each return crossing would cost 60p. The cost to a family two members of which used the bridge on average twice a day would therefore be £16.80 per week, or around £875 per year. This is by no means an extreme example. This seems to the Council to be a great deal of money for the average family to find in addition to what they already have to spend on daily necessities. Without a binding undertaking or agreement, in this example the annual cost could be as much as £1165.

58. Ideally the Council would like an agreement like the previous agreements which gives a discounted toll to local residents. The Council would be willing to assist in the administration of such a system, as it has done before. The Council remains unhappy that the concessionary toll for local people was removed in 2005 without any discussion with local parish councils and that the Company have refused to re-instate this.

59. Failing this, the Council would like the Company to enter into a legally enforceable obligation to maintain the concession, or discount, for card holders at a minimum of 50%, and preferably more than this since a 20p toll for every journey would still represent a significant charge on residents of the Parish going about their ordinary business

60. If he is minded to agree to the full increase in tolls as requested in the Company's application, the Council also requests the Secretary of State to consider whether to require a reduction in tolls after the bridge works have been completed.

61. The Company appears to have ignored the priorities for the use of income clearly stated in the 1988 Act and paid a dividend to shareholders before the other priorities were dealt with, principally putting sufficient money into the Reserve Fund.

62. The Company's accounts reveal that for many years insufficient sums have been transferred to the reserve fund and invested.

63. Despite the Company’s knowledge of the substantial increase in the estimated cost of reconstruction since 2004/5 and the shortfall between the reserve fund and the estimated reconstruction cost the Company has continued to pay dividends to their shareholders. If dividend payments are continued as at present on a rate of 2.3% of assets with the new bridge built by 2029 £144,000 would be paid in dividends (Statement of Reasons Appendix N page 3 para 3(d)).

64. It therefore seems to the Council that the Company has failed to perform its statutory duties properly in that:

- (i) it has failed to make “due provision for the maintenance and renewal of the bridge” as required by section 7(1) of the 1988 Act, in that it has not set aside sufficient funds in order to enable it to reconstruct the bridge without needing to apply for an excessive increase in tolls;**
- (ii) it has not observed the order of priorities in section 4 of the 1988 Act, and has paid shareholder dividends before ensuring that “due provision” had been made for a reserve fund.**

65. The Council notes that the Company’s Statement of Reasons (at Appendix A – Legislative Framework section 3) cites section 6 of the 1954 Act, but omits the proviso to sub-section (3). In fact, no reference is made to this anywhere in the Statement of Reasons, or in the Company’s witness statements. This is surprising, since this could plainly be of considerable relevance to the Company’s current application.

66. This proviso makes it clear that, where there are “special circumstances affecting the undertaking”, the Minister may revise the charges in a manner that does not secure for the undertaking an annual revenue that is adequate for the purposes of the undertaking as set out the preceding paragraph of the sub-section. Those purposes include the making of contributions to a reserve fund, and “where appropriate a reasonable return upon the investment of the Company ... in the bridge”.

67. Section 3(2) of the 1988 Act identifies two matters which (without prejudice to the generality of the proviso) are to be taken as being “special circumstances affecting the Company’s undertaking” for the purposes of section 6(3) of the 1954 Act. These are:

“(a) the application by the Company, within the period referred to in that proviso [i.e. such period immediately preceding the application as the Minister considers appropriate], of revenue for any purpose other than those specified in section 4 ...;

(b) the burden on regular users of the bridge of tolls levied by the Company, having regard to the level of any concessionary rate at which season tickets are made available within that period.”

68. Both of these appear to the Council to be relevant to the current application.

69. In relation to (a), as the Memorandum demonstrates, the Company has paid dividends to its shareholders at a time when it must have known that insufficient funds had been paid into the reserve fund required to be maintained under section 7(1). This was contrary to the order of priorities as set out in section 4, with the payment of dividends only being permissible after all other costs and expenses, including appropriate contributions to the reserve fund, have been met.

70. Furthermore, the Company has paid dividends in at least one year out of investment rather than toll income. This appears to the Council to be contrary to section 7(3) of the 1988 Act.

71. In relation to (b), many of the regular users of the bridge live within the parish of Whitchurch-on-Thames, as is apparent from page 4 of Appendix B to the Company's Statement of Reasons. The burden on such users is already substantial, and would increase very significantly even if the Company gave an undertaking as proposed in paragraph 11 of Mr Beckley's evidence that was capable of being enforced in the courts by the Council and/or others.

72. The Council is very well aware of the importance of the bridge for the residents of the Parish. It recognizes therefore that the bridge must be kept in an adequate state of repair. Equally, however, it is very concerned at the scale of the proposed increase in tolls that has been necessitated by the Company's failure to build up a sufficient reserve fund.

73. The Council therefore invites the Secretary of State to conclude that there are "special circumstances affecting the undertaking", and that the Company's application should not be allowed even if the Secretary of State considers that this will "result in the [Company] receiving an annual revenue substantially less than adequate for the purposes" set out in the preceding paragraph of subsection 6(3). It will then be for the Company, in accordance with its duties under the 1792 and 1988 Acts, to find alternative means to ensure that a bridge continues to be provided and maintained across the river between Pangbourne and Whitchurch-on-Thames.

Vincent Aldridge
1 June 2009