

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

PUBLIC INQUIRY 19th May 2015

INSPECTOR: Mr M Moore

**Opening Statement on behalf of the Company of Proprietors of
Whitchurch Bridge to increase the Toll Charges at Whitchurch Bridge**

1. The Company of Proprietors of Whitchurch Bridge is a unique organisation. It is a Company which is a public body set up by a public Act of Parliament, and it is still governed entirely by statutory regulation. The original objectives of 1792 were clear, and are still valid today “the... Company of Proprietors are hereby authorised and requiredto support, maintain, and keep the said Bridge....forever in good and sufficient repair... And the said Bridge shall not be adjudged or taken to be a county Bridge, or to subject the counties of Oxford and Berkshire, or either of them, to the repairing amending, or supporting of the same.” The Company has been fulfilling this obligation at no cost to the local or national taxpayer for 223 years, and is planning to continue to meet these obligations for at least the next 100 years.
2. This Inquiry arises precisely because the Company has just completed the reconstruction of the Bridge, at a cost of £6.5m. This complex engineering project was an immense undertaking for a tiny company like Whitchurch, which employs just one full time employee. Although the Company had been planning for this event for more than 20 years, the eventual cost exceeded budget by nearly 50% due to the exceptional circumstances of the river flooding in early 2014 plus the unusually complex nature of the reconstruction work. (Fortunately the reconstruction, like the flooding, is a once in a 100 year event.) It is for this reason and only for this reason that the Company has been obliged to seek a 50% increase in tolls.
3. COPWB is a regulated utility like any other undertaking providing infrastructure to the public. In this case the regulation falls under the Transport Acts, which provide the basis for this Inquiry, but in principle the system of regulation is no different from that applied to water companies, electricity companies and other similar companies that are owned by their shareholders but provide a public utility service. In all cases the company concerned makes a profit for its shareholders provided that it works within publicly established regulations and operates effectively and efficiently in the public interest.
4. This Inquiry is to determine only one matter, which is defined in the Transport Charges &c (Miscellaneous Provisions) Act 1954, as modified by the Whitchurch Bridge Act 1988, and which states the following:

“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 investment of the Company of Proprietors of

Whitchurch Bridge in the Bridge as defined in Section 2 of the Whitchurch Bridge Act 1988”.

Section 2 of the Whitchurch Bridge Act 1988 referred to defines this investment as including “the Whitchurch Bridge and all the lands, easements, Toll houses, Toll-gates, signals, offices and other assets of whatever description for the time being held or used by the Company in connection with that Bridge.”

The application made to the Secretary of State for Transport in November 2014 is for a cash toll charge of 60 pence for a Class 1 vehicle not exceeding 3.5 tonnes mgw, and £4.00 for a Class 2 vehicle exceeding 3.5 tonnes.

5. In order to demonstrate that our proposed toll is indeed neither less nor more than adequate for the purposes specified, we will show firstly that the Company is operated efficiently, and will call evidence from Mr Geoffrey Weir, our Company Secretary, to review the working, management and maintenance of the undertaking.
6. We will then show that the reconstruction project was handled effectively, and to that end will call evidence from Mr Martin Brain, Principal Engineer - Bridges at Oxfordshire County Council.
7. At the time of the previous toll increase application, in 2008, we anticipated that the Company would have to take out loans of £1.2m in order to finance the work. In the end, due entirely to the increase in the cost of the work, we have had to take out loans of £3.4m. We will therefore show thirdly that the Company’s finances are properly organised, will show the necessary and committed level of such costs, charges and expenses as are properly chargeable to revenue, including reasonable contributions to reserves and the interest plus repayment of loans, and will demonstrate that the level of return on investment to shareholders is indeed appropriate and reasonable. I will myself give a witness statement to that effect.
8. We will therefore demonstrate that the toll increase is fully justified in accordance with the statutory requirements
9. We will listen to objections, and will be prepared to offer certain undertakings on the future operation of the Company concerning for example the level of discounts available to regular users.
10. Above all we shall show that the Company will continue to be committed to maintain its statutory obligation to provide a bridge from Whitchurch in the County of Oxford, to the opposite Shore, in the Parish of Pangbourne in the county of Berkshire, which in the words of the 1792 Act “will be of great utility and advantage to the public”

M Beckley, Chairman, Company of Proprietors of Whitchurch Bridge
May 2015