

Closing Statement to Tamar Crossings Public Inquiry

Oct 15th

Scott Slavin.

Vice Chair - Tamar Toll Action Group.

Date: October 18th, 2024.

During the Inquiry, we heard evidence from witnesses for the Tamar Crossings in support of the application. These witnesses were then questioned by objectors. The Tamar Toll Action Group consider the following questions and responses to be relevant for consideration by the Inquiry Inspector and Secretary of State for Transport. By “objectors” in this correspondence, I am referring to my representation at the inquiry on behalf of Committee members and supporters of the Tamar Toll Action Group, some of whom were also present in the room.

Tamar Crossings Rebuttal statement provided in support of the need for an increase:

1. **Traffic:** It is stated at paragraph 2 that traffic reduction began with the 2020 Pandemic. The objectors contended that this is both incorrect and misleading as figures submitted within our evidence at paragraph 4 and tables 4 & 5 show that traffic had dropped from years 2016/17 and 2017/18. It had not recovered by 2018/19. It was also offered by Cllr Colin Martin at the inquiry that traffic had recovered to pre-pandemic levels on other remaining tolled crossings in England. Cllr Martin questioned why there was a differing response here. The answer given by Mr List was that he didn't know, but likely down to changing working patterns. It is probable that there is more to it than this as work patterns have changed across the nation.
2. **Toll Booths:** It is stated at para 3(i) that the toll booths require replacement. Objectors contended that fibreglass is cheap, durable and repairable at low cost and therefore it does not require any of the booths to be replaced. Particularly if there is serious consideration of planning for open road tolling, as alleged in recent Joint Committee meetings. Though not specifically discussed during the Inquiry, it is also objectors understanding from a discussion with the Joint Chair of the Joint Committee earlier this year, that there has been no inspection for verification of the need for these works to the toll booths by the Joint Committee. This may have been rectified in the interim since that discussion took place with us, but of note is that at the time the discussion took place, the requested budget had already been approved despite there being no formal inspection by the Joint Committee to verify the need. This demonstrates lack of close oversight of issues.

3. **Learning Centre:** It is stated at para 3(ii) that the Tamar Bridge Act 1998 specifically identifies educational purposes as an authorised expenditure. This statement was repeated by Mr List when being questioned on his evidence by objectors. Objectors contended that this is not the case and read out the relevant section of the 98 Act opining that the intent of Section 32 of the Act of 98 was to promote recreation and other opportunities to raise revenue towards operation of the crossings, quote **“to provide meals, refreshments and entertainment and facilities therefore and facilities for recreation, conferences and exhibitions.”** Education is not specifically mentioned as claimed at para 3 (ii) of the rebuttal statement. Instead, the visitor centre is a significant cost drain on revenue (see responses below to questions posed to Ms Geraldine Baker). Also worthy of note is Mr List’s verbal response to another question posed by Councillor Colin Martin (Cornwall Council) that a 4:1 societal value is realised by the visitor centre. Though not stated during the inquiry, objectors observe that Councillor Williams-Pears, former Portfolio holder for Transport at Cornwall Council, previously described this value as 3:1 when discussed at full council; but as it brings little or no revenue to the crossings, the true financial value of the learning centre is in fact one of negative equity.
4. **Ferry Decarbonisation Study:** It is stated at Para 3 (iii) that this project fits with the net zero strategy of the parent authorities. Objectors contended that this work is unnecessary, will produce limited cost savings in operation and that the budget for it is an estimate only with potential for risk of cost overruns in a technology that is not yet mature, highlighting in particular the reliability difficulties being experienced by the hybrid Woolwich ferries on the Thames since their relatively recent introduction. Further, the design of the current Diesel Electric Chain Ferries is already the most efficient form of cross river travel in the absence of a bridge or tunnel. See also comments in our below para’s 11, 21 & 29 on questioning of evidence from Mr David List and Mr Tim Hope.
5. **Bridge Fire Protection:** It is stated at Para 3 (iv) Major fires (plural) elsewhere in the UK have demonstrated the significant risk posed by vehicles fires. Objectors accept that should a vehicle fire occur the risk is significant. However, history and the frequency of incidences elsewhere shows that the actual likelihood of a fire occurring is in fact very low. See also comments on questioning of evidence from Mr Stephen Baron (para 32 of this statement).
6. **Cost of Living / impacts on local residents and businesses:** The 5th paragraph of this section refers to a **“user pays”** principle. Objectors contended that this statement does not feature in any of the 3 variants of the Tamar Bridge Act. The

Act only states that it must be locally funded, and authorities may take tolls. They are therefore also at liberty to fund it by other means.

7. **Cost of New Bridge Building:** It is stated at para 5 that objectors suggest that the new bridge building was an unnecessary expense. Objectors accepted that a new building may have been a useful upgrade but contended that the building that was constructed was excessive, if not perhaps in physical size, then certainly in design, material specification and cost. As stated in our opening statement, it was budgeted at £3.5 million (in itself a high figure) but ultimately cost over £5 million. A significant 43% overspend. The building did not require the high specification it was constructed to, and this did not feature on its predecessor. Despite the denials of inefficient management at para 3, poor cost control and failure to manage budgets is one of the most common features of inefficient management that results in additional costs to users. So too is failure to control smaller expenditure items. Examples of the latter were also mentioned during the inquiry. For example, when Mr List defended the high cost of mobile phone usage (described as around £40,000 per annum) in answer to a challenge / complaint presented by Dr Mel Priston in her evidence. Mr List's argument regarding the need for staff to have mobile phones is generally accepted for key staff or critical roles, though it's unlikely every employee requires one and the need should probably be reviewed for cost savings. However, the need for issue of the latest expensive phone (or smart watches) is not agreed or understood. Nor is it necessary to provide expensive contracts with unlimited data or international minutes. This was further commented on later with objectors mentioning the importance of not overlooking the cumulative cost of smaller items because the attention is solely focused on the bigger expense items. Objectors also highlight that the employees of Cornwall Council are not issued staff / work phones.

Evidence from Mr David List

8. In paragraph 1 of Mr List's evidence opening statement, it is stated that he has been in post for 27 years. Objectors questioned Mr List on the state of the Tamar Crossings finances when he began in post as compared to today. Mr List responded that when he began, the Crossings had available funds of +£14 million, this as compared to today when they are approximately £45 million in deficit. Objectors contended that allowing the debt to build to a point that it is consuming over 1/3 of the income revenue to service is another example of inefficient management where borrowing has not been kept under control.
9. At paragraph 1.4, the phrase "**user pays**" is repeated. As stated above at our para 6, objectors contended that the phrase "**user pays**" is inapplicable. It is not contained within the Tamar Bridge Act and "**user pays**" as a concept typically only

applies where the user has a choice (the M6 vs the M6 Toll Road for instance). To cross the Tamar, the user has no choice and the applicant in fact has a captive market with no competition to their product. This point was put to Mr List, who replied to the effect that it was a principle implied.

10. At para 3.3 the principal statistics for the bridge are discussed. Objectors contended that the applicants claim that the bridge is the cheapest major tolled crossing in the country fails to allow for the fact that it is also the smallest major tolled crossing, by some significant margin. On a cost per distance travelled, it is actually the most expensive. We refer also to para 12.3 of Mr List's evidence in this regard.
11. At para 5.13, objectors contended that the below items at the bullet points are unnecessary capital expenditure and are not essential as stated at paragraph 5.13 (for reasons set out elsewhere in this closing statement)
 - Tamar Bridge Toll Booth replacement (cost circa £0.4 million).
 - Torpoint Ferry Decarbonisation (cost £3 million).
12. At para 6.2 it is stated that the report detailed five toll revision options. The toll consultation contains the same 5 options, including the "**do nothing**" option. As discussed during the inquiry, though we have not seen said correspondence, objectors are aware from our participation remotely in Joint Committee meetings of a formal letter issued by the authorities. This correspondence was connected to Joint Committee Councillors choice of voting and, we are advised, threatened "severe consequences" for transgressors. It seems clear that the purpose of this letter was to influence Councillors against making the "do-nothing" choice. This letter is not in the public domain, but its existence is not disputed by the responsible authorities. The existence of this letter calls into question the validity of the consultation and shows lack of transparency from the authorities responsible for the administration of the crossings. It also calls into question the validity of both the vote at the Joint Committee and the votes at both full councils on the choices of toll options available.
13. At para 8.1, Mr List refers to comparisons with other tolled crossings. As per paragraphs 3 & 4 of our evidence letter dated 3rd September 2024, objectors contended that none of these at the applicants Appendices 18 & 19 are directly comparable and should be disregarded. We refer also to para 12.3 of Mr List's evidence in this regard.
14. At para 9.2, Mr List states that the additional weekly expenditure for crossing five times per week would be £1. On questioning Mr List regarding this point, objectors

accepted his response that this is factually correct but contended that the purpose of this statement in his evidence is really to suggest in the mind of the reader that the overall cost impact is low. As this makes no allowance of the frequency of need to cross for many people and businesses in south east Cornwall, objectors contended during the inquiry that this figure has no real value or accuracy and should be disregarded in any impact assessment on users as most people and businesses west of the crossings need to cross far more frequently.

15. At para 11.1, reference is made to funding support from Government, and it is claimed that the Joint Authorities have pursued Government for funding support. Objectors accepted that if taken at face value, this is correct. We have read these letters and can confirm we accept that the Joint Committee have written brief letters to ministers requesting funding support. However, these letters have stated no case, no cost impact study, no study of economic benefit to the region. In short, they made no case, just asked for money. This was evidenced by former MP for South East Cornwall, Mrs Sheryll Murray, who was present at the inquiry and confirmed to the inquiry that she had requested a business case to take to government to support a funding request. Mrs Murray also confirmed she had not received the requested business case.
16. At para 12.2, Mr List repeats the statement we highlight above at our paragraph 14 and adds that users are only required to make a modest advance payment. During the inquiry, objectors highlighted that this “modest payment” is in fact per vehicle on the account and for some households it can result in quite large minimum payments being required from multi car families.
17. At para 12.3, Mr List repeats the claim that the cash tolls would remain amongst the cheapest in the UK. Objectors contested this claim and here refer to our above paragraphs 10 & 13. We also contested the statement that the prepaid discount scheme is the cheapest in the UK and cited the Dartford and Mersey schemes whereby our FOI request information (which, in the spirit of cooperation, had been shared with Mr List and the Joint Committee previously) is that 47,622 Mersey Flow account holders pre-pay £10 annually for unlimited use of the crossings (FOI Request No 13943) and Dart Scheme where 29,235 account holders pre-pay £20 annually for unlimited use of their crossing (FOI Request No 7490). The argument presented in response that these are limited numbers was not accepted by objectors.

Evidence from Ms Geraldine Baker

18. Objectors conceded that it was neither realistic nor reasonable to ask Ms Baker technical questions that are outside her expertise to respond on. We requested clarification of figures for the learning centre and Torpoint Ferry refit costs as Appendix 1 of her rebuttal evidence was illegible. These were stated as:

- £5.6 million for ferry refits (confirmed during the inquiry by Mr List as for all three, ergo £1.87 million each).
- A combined cost for the Learning Centre spread through from financial year 23/24 to 29/30 of just under £1.3 million (Mr Kernow pointed objectors to Annex 17 of the toll revision application but in fact the figures are contained in the table at Annex 16)

19. It is the objectors' position that these costs do not represent good value for money, our reasons for this belief are set out below and were stated during the inquiry:

- The learning centre we do not consider is provided for under the terms of the Tamar Bridge Act 1998. Nor is it covered by the Tamar Crossings' Statement of Case at para 1.2 of its introduction, which states "***The aim of the TBTFJC is to provide its customers with a safe, effective and efficient service 24 hours a day 365 days a year***".
- The cost of ferry refits is down to lack of a proper competitive tendering process. This caused by failure to consider other locations and methods of hauling. It was stated by objectors that in comparison to refit projects managed by Mr Slavin at other European shipyards on larger vessels with bigger scopes of work, the £1.87 million cost per ferry seems disproportionately high for a relatively small and simple vessel.

20. On questioning by Mrs Hoskins, who complained of the ethos of borrowing for everything and stated that she felt that the borrowing was excessive, Ms Baker responded that this was normal practice in commercial businesses citing utility companies for water, telephone and other private share holder owned companies. Objectors do not agree the validity of this argument as these are privately-owned profit-making companies with substantially larger revenue streams and no limitations on the revenue that they are permitted to accumulate. Unlike the restrictions placed on the Tamar Crossings by the Tamar Bridge Act.

Evidence from Mr Tim Hope focused on the Torpoint Ferry:

21. At para 1.2 it is stated that his company (Houlder) specialises in, amongst other things, "***the decarbonisation of ships and shipping***". It was put to Mr Hope by objectors that his company had a vested interest in the applicant proceeding with decarbonisation of the ferries as it would be in their interest based on their historic

contractual working relationship with the applicant. Mr Hope stated that they would have to win the contract first but in principle, this was not denied.

22. At para 1.2 it is stated that both Mr Hope and his colleague (Mr Potter) are Naval Architects. Objectors observed that a Naval architect's normal function in the marine industry is ship design, construction and stability. Less so with respect to operation, maintenance and refitting. This was acknowledged as correct by Mr Hope but explained that others within the company do provide that service. It was put to Mr Hope by objectors that this was his evidence and not the evidence of others.

23. At para 1.2 it is stated that the ferries need to be dry docked every five years to complete Lloyd's Register Bottom and Special Surveys. It was put to Mr Hope by objectors that in fact this is incorrect, as per below. Mr Hope conceded that both the below bullet points are true. This demonstrates that there are options that should be considered for more cost-effective ways of managing the requirements.

- Lloyd's register rules permit bottom surveys to be carried out afloat (Described in Lloyd's Register Rules as an ***In Water Survey***)
- The requirement for a dry dock is not specified anywhere in any rule or regulation. The bullet point above explains that bottom surveys can be done afloat, but if this is not feasible due to the planned work package then a vessel can also be hauled by other means, i.e. a slipway to be used in place of a dry dock.

24. At para 2.2 Mr Hope acknowledges that the ferries are only maintained in Class with Lloyd's Register on a voluntary basis. On questioning, Mr Hope acknowledged that the same standard of upkeep and maintenance as is currently practiced could be continued independent of Lloyd's Register. Objectors have no concerns re the cost of keeping the ferries in Class, but highlight that if possible, cheaper ways of achieving the same ends should be investigated for comparison. Also stated was that LR are not the only Classification society with a presence in the UK.

25. At para 2.3, Mr Hope states in the fourth bullet point that bottom surveys must be completed in "***dry dock***". Objectors refer to our above comment 23, 2nd bullet point.

26. At para 2.5 Mr Hope describes various works conducted during the refit & survey. On questioning by objectors, Mr Hope conceded that most of these are in fact minor tasks with some of them being administrative only. Objectors described these bullet points in the evidence as "filler". This point was not denied. Similar

observations apply to paragraphs 2.10.1, 2.10.2 and 2.10.3 of Mr Hope's evidence. The third bullet point at 2.10.3 being specifically highlighted as a very minor task that under the letter of the applicable rules under Marpol Annex VI regulation 6 (which was read out by objectors at the inquiry) is not actually required anyway. This was also conceded by Mr Hope.

27. At para 2.6 Mr Hope talks about the ferry achieving 99% KPI (Key Performance Indicator). As this data comes from the applicant's reports, it cannot be considered Mr Hope's evidence. Further, this figure was questioned by objectors, and it was acknowledged in the room by Councillor Tivnan (a member of the Joint Committee) that ferry reliability, though improved now, had been poor in previous months.

28. At para 2.9 Mr Hope references Planned Maintenance Regimes. Objectors acknowledge the importance of Planned Maintenance and commend the good work being put in by the ferry engineering manager in improving their standards of reliability and availability. Also, with finding good solutions to problems at short notice. However, objectors highlighted that in terms on machinery, all three ferries are over engineered with three installed generator sets each of which has the capability to provide motive force to the chain drive mechanism and supply all electrical consumers even at full speed and load capacity of the ferry. Mr Hope acknowledged and agreed that the ferries are over engineered in this respect and agreed that cost savings could be made by reducing each vessel to two operational generators. Stating for the record though that this was outside his scope and would be a decision for the applicant. The latter is accepted by the objectors.

29. At para's 2.12, 3 & 6, decarbonisation is referenced. Objectors refer to our above para's 4 & 21 but add that on questioning of the transparency of this need by objectors, Mr Hope confirmed that decarbonisation is not a regulatory requirement and is not mandatory to complete. It was put to Mr Hope by objectors that cost savings in operation would not be realised by completing this work, particularly with the capital cost of conversion, and that in fact with a diesel electric chain drive propulsion system, the ferries are already very efficient for their load carried. The better solution was to design the next generation of ferries with newer technology from the outset. This point was not denied and in fact Mr Hope confirmed objectors statement that any operational savings would be outweighed by the up-front capital costs and though the authorities may choose to carry it out for symbolic reasons, it is neither necessary nor justified on regulatory or economic grounds. Paragraph 6 of Mr Hope's evidence also makes

clear in the final paragraph that the requested £3 million budget for these works is based on assumptions. It cannot therefore be considered reliable.

30. At para 2.12 the competitive tendering process is discussed; it is stated that there are only three locations on the south coast that the ferry can be “**dry docked**”. This is acknowledged by objectors as factually correct as though there are other dry docks available, including in the southwest (Penzance as one for instance) the beam of the ferry makes them non-viable. However, objectors put to Mr Hope that there is no requirement for a dry dock and that there are other methods of hauling the ferries on a slip way. If properly investigated, this could have opened up other competitive tendering options that would have meant the applicant was not hostage to the only tender it received. See also our comments above at para 19. Mr Hope acknowledged that this was the case, and that a slipway could be used in place of a dry dock. This option would normally come at a lesser cost and may have enabled local contractors to be employed directly rather than paying a shipyard mark up for them to be hired and managed by A&P.

Evidence from Mr Stephen Baron focused on the Tamar Bridge

31. At para 1.1.2 Mr Baron describes his history of working on contracts for the applicant, both at Cleveland Bridge and AECOM. Similar to Mr Hope, objectors put to Mr Baron that AECOM has a vested financial interest in the recommendations being made regarding Bridge Structural Fire Protection and this therefore influences any witness evidence given regarding Bridge Structural Fire protection. This was defended in part, but ultimately acknowledged.
32. At para 3.3.10, objectors questioned Mr Baron on the legislative requirements for bridge structural fire protection, he responded that there was no legislative requirement. Also questioned was the risk. Mr Baron stated that the risk was high if a fire incident occurred, but acknowledged that the likelihood of such an occurrence was low. He could cite only one such incident globally. Objectors stated that risk can be engineered out of almost any circumstance given sufficient investment, but at what point does the cost become disproportionate to the risk? Objectors also observed that cost vs risk analysis is a process followed in many industries. Mr Baron acknowledged this point. On balance, objectors are concerned that the low risk level does not warrant the £3.5 million (estimated) investment that is referenced in Ms Baker’s evidence at para 2.3. Before any commitment is made on this issue, or funding is requested for it, it should be considered what National Highways are planning for with the bridges that they maintain before committing to any additional borrowing for this purpose.

33. At para 3.3.11 Mr Hope describes the need for Bridge re-surfacing. Objectors noted that this was carried out recently (2021) at a cost of £4.7 million. It caused major disruption in Saltash, the town adjacent to the bridge and was not expected to need to be done again any time soon. Objectors observed during the inquiry that at the time these works were carried out, the public were told it was a special coating product that would last a generation. Objectors asked Mr Hope for the life expectancy of the coating used for the steel and were told 20+ years. The need therefore does not fall until the early to mid-2040's. It was observed by objectors that the projected £7 million cost is unlikely to be accurate this far in advance and in any case is not warranted for inclusion as justification for a toll revision order at this early stage.

Conclusion:

Whilst recognising the engineering challenges of maintaining and operating large pieces of aging and complex infrastructure, also the differing requirements of maintaining two very different types of crossing under one roof, it remains the position of the objectors that the situation the applicant is currently in, rather than the solely being traffic volume related, is in the majority due to decades of economic mismanagement through excessive borrowing. Borrowing that has proven beyond their means to repay without negatively impacting services, users, or both. We would however like to take the opportunity to applaud the good work recently carried out by the ferry engineering manager in delivering improved reliability to users of the ferry service.

We express concern that the checks and balances that would normally be in place in a commercial company to keep borrowing and debt under control do not appear present. Or if present, are not providing effective oversight of this matter. Possibly due to the different priorities that influence Joint Committee Councillor's decisions on the East and West side of the Crossings, or the changes in responsible Councillors that come and go through the process of local elections. Objectors are also concerned that cost control of projects committed to over the same period appears to have been problematic in some instances. As an example, the new office building, though accepted as important for provision of services, was some 43% over budget when eventually delivered. Similarly, lack of close monitoring of smaller cost expenditure was evident in some of the responses to questions posed during the inquiry.

Whilst many of the reasons for the current situation are historic and too late to remedy now, objectors consider that a decision to grant the toll revision application will be seen by the applicant as an endorsement of their process and will thus allow the cycle to continue; further negatively impacting the users for years to come. We therefore ask that this toll revision application is declined, and that the applicant is directed to moderate their borrowing and spending plans, and to improve budgeting and cost control in order to deliver efficiencies to the user without requiring a toll rise, reduction of the tag

discount, or through cutting of any essential services. Also to limit new project aspirations to only those that are required by legislation or for upkeep of the crossings, as per paragraph 1.2 of their statement of case. The Learning Centre, Toll Booth replacement, Ferry decarbonisation works and Bridge structural fire protection do not fall under this heading and we venture that they should be struck from the balance sheet prior to reassessing the financial need.

If it is within the Inspector's power, objectors also ask him to consider recommendations to the Secretary of State for Transport on provision of Government funding support to the crossings to, at minimum, provide a similar local resident's scheme as is already subsidised by the treasury for residents of Halton, Dartford and Thurrock for use of their respective crossings. If not to recommend it happens, then at least to recommend that it should be studied. We refer to the 2009 Humber Bridge Public Inquiry for precedent of alternative action taken by the Government post a public inquiry.

We thank Mr Dean for his time during the inquiry. Also, for the balanced way he managed the discussions for and against the application. It is an emotive subject that provokes strong feelings not just against the management of the crossings, but also between the differing needs of users of the bridge and the ferries on both sides of the Tamar.

Scott Slavin

For Tamar Toll Action Group.