



**Department
for Transport**

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Dear David,

Following on from the debate in Westminster Hall regarding the Severn Crossings, please find attached the information that was requested.

I hope this is helpful.

*Yours,
Andrew*

ANDREW JONES MP

Severn River Crossings Revenue, VAT paid and Operational Expenditure, including maintenance, for the last five years

Year	Net toll revenue (£m)	VAT paid to HMRC	Operational expenditure (including maintenance)
2010	76.0	12.5	10.70
2011	77.6	14.3	13.03
2012	81.2	14.9	13.05
2013	85.4	15.8	14.37
2014	91.4	17.0	13.16

The total amount of VAT paid by Severn River Crossings Ltd to HMRC was £154.2m to the end of 2014.

Annual figures do not exist for the impact of the abolition of the Industrial Buildings Allowance (IBA) and the impact other tax changes have had as Severn River Crossing Ltd accounts reflect the tax regime that exists at the time and therefore we are unable to determine specific figures to demonstrate the income gained from the abolition of the Industrial Buildings Allowance. However, under the terms of the concession, Severn River Crossings Ltd are compensated for changes in the tax regime. Under an agreement signed in 2012, the amount that Severn River Crossing Ltd can collect in tolls was increased by £24.7m (July 1989 prices) to reflect the abolition of industrial building allowance on the Severn bridges; this is the additional amount of tax revenue from SRC resulting from this change.

Accumulated deficit

The *forecast* accumulated deficit which could be recovered through tolling will be £63m at 1 April 2018 when the concession ends. This is a direct recalculation of the “£88m” figure and is the amount forecast to be accumulated at the end of concession. One of the major changes in this calculation, to the previous estimate, is that it no longer includes a figure for the resurfacing of the Severn Bridge as this is now timetabled for after the end of the concession period.