Rt Hon John Healey MP
Chancellor of the Exchequer HM Treasury
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Autumn Budget 2026: A better value approach to transport investment

Dear Chancellor of the Exchequer,

Transport Action Network (TAN) would like to make this representation for the Autumn Budget 2026 to urge the Government to take a fresh approach to transport investment - one that delivers better value for taxpayers, supports economic resilience, puts sustainable transport at the forefront of the climate response and prioritises the transport improvements that communities need.

The Budget presents an important opportunity to review spending commitments and ensure that public investment is directed towards projects and programmes that provide the greatest social, economic and environmental benefits. At a time of significant pressure on public finances, difficult choices are necessary. Continuing to commit billions of pounds to poor-value road expansion schemes, while underfunding road safety, maintenance, public transport and active travel, does not represent the best use of limited resources.

We therefore urge you to make the following priorities as part of the Government's Budget decisions.

Summary

- Cancel road schemes that represent poor value for money and carry significant environmental costs such as the A46 Newark Bypass, A38 Derby Junctions, the A66 Northern Trans-Pennine and the Lower Thames Crossing ‘smart’ motorway.
- Re-purpose funding for road safety, tackling the huge backlog in local road and bridge maintenance
- Improve climate resilience and adaptation of our transport networks given the increasing likelihood of extreme weather events.
- Boost funding for active travel
- Prioritise investment in rail to reduce traffic
- Reinvigorate bus networks
- Greater investment in sustainable transport, better maintaining what we have already, and improving safety, will better boost the economy and drive up productivity. This would reduce congestion, improve public health (reducing pressure on

emergency services and the NHS), decrease carbon emissions, while supporting our local high streets.

1. Cancel poor-value, high-carbon road schemes

The Government should cancel road schemes that represent poor value for the taxpayer and carry significant environmental costs.

Cancelling the A46 Newark Bypass and A38 Derby Junctions (as proposed in the DfT's current RIS3 variation consultation) would save an estimated £315 million up to 2030, and at least £1.3 billion in the longer term. The Government should also reconsider the £2 billion A66 Northern Trans-Pennine scheme and the privatisation of the Lower Thames Crossing, which requires £3.1 billion in public funding and has a weak business case. The Lower Thames Crossing is also being investigated by the National Audit Office.

Cancelling these schemes would free up substantial resources for transport investments that can deliver greater benefits, including improving safety on existing roads, supporting rail freight and investing in better-value active travel schemes.

The Government should not allow money already spent on developing these projects to become a reason for committing billions more. The Autumn Budget provides an opportunity to stop poor-value schemes before further public funds are committed and redirect investment towards more effective priorities as outlined above.

2. Increase funding for road safety, maintenance, and renewals

The Government should provide increased, ring-fenced funding to ensure that road safety improvements and tackling the huge (£27bn) backlog in local road and bridge maintenance receive the priority they require. Maintaining and improving the existing network, which often has a far better economic return than expanding capacity, should take precedence over building new capacity where the benefits are uncertain or poor value.

3. Increase resilience and adaptation to keep the UK moving

The Budget should focus greater investment in resilience and adaptation. Rail and road networks in particular need to be upgraded to withstand the increasing impacts of extreme weather events. Prolonged drought conditions and extreme heat following record-high summer temperatures triggered a number of concerns with an increasing level of speed restrictions for trains due to embankment deformities and rail deformation leading to two derailments recently. In Lincolnshire drought and subsidence caused £1.5m of damage to roads, whilst across the country many stretches of road melted in this summer's heatwaves. Previously, flooding has caused many roads to shut, causing major disruption and harming the economy. Investing now in resilience and maintenance will help keep the economy moving, avoiding greater shocks and costs in the future.



4. Boost funding for active travel

Walking and cycling provide an affordable and effective way to reduce congestion, improve public health and give people more choice over how they travel. Active travel schemes cost little yet have very strong business cases, delivering more bang for buck. Moreover these schemes can be implemented more quickly than large infrastructure projects and can help a wider range of communities spread over the country. However, current levels of funding are insufficient to deliver the Government's ambitions or significantly reduce costs for the NHS and emergency services.

The Government should use the Budget to reverse this decline and provide the long-term, reliable funding needed to support active travel to provide an affordable form of transport to give people better access to jobs and services.

5. Prioritise investment in rail to reduce traffic

Greater investment in both passenger rail and rail freight is essential to provide better-connected communities, improve road safety by reducing cars and HGVs on our roads, cut emissions by reducing the need for air travel for longer journeys and support a more sustainable economy.

Investment in electrification would bring multiple benefits, speeding up journeys, improving productivity of our towns and cities, making rail travel a more attractive option. This will drive up revenue, helping to increase the viability of services.

We urge the Government to provide long-term funding to invest in climate resilience, support rail freight, reopen rail lines and stations, and make rail fares simpler and more affordable. These investments can provide lasting economic, environmental and social benefits while giving people genuine alternatives to car and air travel.

6. Reinvigorate bus networks

Buses are a vital form of transport for millions of people, particularly for those in urban areas and for those who do not have access to a car. Yet communities continue to face service cuts, reduced frequencies, forcing them into unaffordable car ownership or increasing isolation.

The Government should provide long-term funding for local bus networks to prevent further cuts and enable services to grow. While we strongly welcome the £2 bus fare cap being brought in next year, if this is not to be seen as a gimmick it will need funding beyond 2027. This will help ensure that the bus remains at the cornerstone of public life and remains affordable and accessible.

A Budget for better transport and better value

Taken together, these measures would represent a more responsible and effective approach to transport spending. Rather than continuing to prioritise expensive, poor-value road expansion schemes, the Government should redirect funding towards maintaining and improving the infrastructure we already have, making roads safer, strengthening resilience to extreme weather events, and helping people with the cost of living crisis. This will better boost the economy and drive up productivity. It would reduce congestion, improve public health (reducing cost pressures on emergency services and the NHS), decrease carbon emissions, while supporting our local high streets.

The Autumn Budget is an opportunity to make clear choices about where public money can achieve the greatest benefit. We urge you to use this Budget to undertake a fundamental review of transport spending priorities and ensure that future investment delivers the best possible value for taxpayers, communities and the environment.

Yours sincerely,

Abby Coften

Chief Executive
Transport Action Network