Transport Action Network

Comprehensive Spending Review 2021 representation

Transport Action Network (TAN) would like to make this representation for the Comprehensive Spending Review and Autumn Budget 2021.

Summary

- Roadbuilding is expensive, offers poor value for money, increases traffic, diverts money from sustainable alternatives such as rail, bus and active travel, and leads to increased carbon emissions.

- We strongly recommend the Chancellor takes the opportunity to reset the second Roads Investment Strategy (RIS2) at the forthcoming Comprehensive Spending Review (CSR).

- In particular we recommend cancellation of large, expensive and uniquely damaging schemes such as the £8.2bn Lower Thames Crossing, the £2bn A303 Stonehenge scheme in the World Heritage Site, and the seven 'Smart' Motorway schemes in RIS2.

- We recommend the Treasury orders a reappraisal of all road schemes in RIS2 to reflect the new carbon values set by BEIS. This may significantly alter the Benefit Cost Ratios (BCRs) of road projects, making them poor value for money.

Roadbuilding does not boost the economy

Building new roads increases traffic and does not boost the economy as claimed. The Department for Transport's Standing Advisory Committee on Trunk Road Assessment (SACTRA) report on *Trunk Roads and the Generation of Traffic*[1] in 1994 proved that building new roads creates more traffic growth, known as *induced traffic*. The 1999 SACTRA report, *Transport and the Economy*[2], concluded that rather than boosting local and regional economies, building more roads encourages economic activity to relocate elsewhere and for people to work further away from where they lived. Further research, published in the World Transport Policy and Practice Journal in 2018[3] also concluded that "*claims made about the national economic benefits of transport investment are not robustly supported by the underlying evidence*".

Research by Transport for Quality of Life for CPRE in 2017[4] examined the post-opening evaluation reports for over 80 road schemes, and concluded that in the majority of cases the claimed economic benefits failed to materialise, and congestion levels were higher than expected.

Despite the abundant evidence that roadbuilding does not ease congestion or boost the economy, as claimed, it is frustrating that politicians seem unable to learn these lessons and

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[1] Archive copy of Trunk Roads and the Generation of Traffic, 1994, SACTRA
[2] Archive copy of Transport and the Economy, 1999, SACTRA
[3] Does transport investment really boost economic growth?, 2018, Steven Melia
[4] The end of the road? Challenging the road building consensus, 2017, CPRE

are intent on repeating the same expensive and destructive mistakes over and over. Instead of wasting billions of pounds of public money on road projects that drive up traffic and carbon emissions, we need to examine the evidence for investing in sustainable alternatives that deliver choice, reduced carbon emissions, and often have far higher BCRs.

Reset RIS2

The second Roads Investment Strategy (RIS2) was set at the Budget in March 2020[5], with £27.4bn allocated to RIS2 up to 2025. Over half of the RIS2 budget is for "capital enhancements" (new road schemes), totalling £14.1bn. The Lower Thames Crossing (LTC) takes up to £8.2bn of this capital enhancements budget, and the A303 Stonehenge scheme through the World Heritage Site could cost up to £2.4bn according to the National Audit Office's assessment[6]. The remaining funds in RIS2 are allocated for maintaining and renewing existing parts of the strategic road network, PFI debt, and operational costs. There is a small designated fund which includes a £345m Environment and Wellbeing ring-fenced fund.

TAN recommends a substantial reset of RIS2 with the majority of the capital enhancements budget reallocated towards maintenance and renewal of existing assets, and environmental and noise improvements to the existing network. Any new schemes that will lead to increased traffic and carbon emissions should be removed from RIS2. The objectives of any new schemes should be realigned with Government objectives to reduce carbon emissions and improve safety.

Increased carbon values

On 2 September 2021 BEIS published new policy guidance on carbon values[7] in project appraisal, effectively quadrupling the cost of carbon. This may have a significant impact on the appraisal of a number of road schemes, such as the A428 Black Cat to Caxton Gibbet scheme in Cambridgeshire which has a BCR of only 1.2. Also the A303 Stonehenge scheme only managed to achieve a positive BCR by including heritage benefits from a highly questionable contingency valuation survey which made up 75% of all economic benefits. We recommend that all schemes in RIS2 should be urgently reappraised in line with the new carbon values.

A new carbon test should be introduced for any new road schemes. If they increase traffic growth and carbon emissions, they should be removed from the RIS2 programme of capital enhancements.

As transport is the largest carbon emitting sector in the UK and the only sector not to have fallen since 1990 levels, it is the most critical sector to tackle. As the UK's Nationally Determined Contribution (NDC) under the Paris Agreement means we must make 68% cuts

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[5] Road Investment Strategy 2: 2020 - 2025, 2020, DfT
[6] Improving the A303 between Amesbury and Berwick Down, May 2019, National Audit Office
[7] Valuation of greenhouse gas emissions: for policy appraisal and evaluation, September 2021, BEIS

by 2030, the urgency could not be greater. It is not enough to rely on the proposed ban on the sale of new fossil fuel powered vehicles in 2030 (2035 for hybrid cars), as this will not happen fast enough to meet our NDC commitment of 68% cut by 2030. It is critical we do all we can to reduce road traffic and road transport emissions in the next 8 years till 2030, to meet the NDC. A large roadbuilding programme takes us in the opposite direction needed to rapidly reduce emissions by 2030.

Cost escalation of road schemes

In the Office for Rail and Road's recently published Annual Assessment of Highways England's Performance 2020-2021[8], significant cost escalation on a number of high profile schemes was reported. The Lower Thames Crossing was reported to have increased by £363m, whilst the A66 Northern Trans Pennine is reported to have jumped by £280m in outturn forecasts.

Smart Motorways

The safety record of Smart Motorways has come under increased scrutiny in recent years, and the Prime Minister has just ordered another inquiry[9] after a newspaper's undercover investigation exposed serious safety issues with failing technology[10]. As well as being extremely dangerous, Smart Motorways do not represent good value for money. The recently published five-year after opening evaluation (POPE) report into the M1 Junction 10-13[11] revealed that the predicted economic and congestion benefits of the scheme had failed to materialise, resulting in the scheme having a negative BCR of 0.8[12]. The scheme appraisal had predicted £1 billion of economic benefits from reduced journey times, yet the five-year POPE study revealed that the monetised impact on journey times was -£225m.

Analysis by Transport Action Network of the predicted increases in carbon emissions of the road schemes in RIS2[13] shows that Smart Motorway schemes are often the highest emitting schemes in RIS2. Despite the enormous carbon impacts of these Smart Motorway schemes, they are being allowed to proceed without any statutory environmental assessment or planning consent. This creates significant legal risks.

Delays and legal risks

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8 Annual Assessment of Highways England's Performance, July 2021, Office of Rail and Road

9 Boris Johnson orders proper inquiry into smart motorways after probe reveals lethal failings and flaws in critical radar system, 27 September 2021, article in Daily Mail

10 Smart motorways' horrors exposed, 26 September 2021, article in Daily Mail

11 M1 Junctions 10 to 13 hard shoulder running & junction improvements: Five-year post opening project evaluation, July 2021, Highways England

12 Delayed report gives smart motorway negative benefit cost ratio, 7 September 2021, article in Highways Magazine

13 RIS2 Roads & Carbon – Transport Action Network, TAN website page

Building more roads and increasing traffic and carbon emissions, at a time when rapid reductions in emissions are needed, flies in the face of all Government climate policy and our national and international legal obligations under the Climate Change Act 2008 and the Paris Agreement. Roadbuilding is becoming increasingly controversial.

Unsurprisingly, there have been multiple legal challenges with more predicted. TAN has two live legal challenges[14] to the RIS2 roads programme and the Secretary of State for Transport's refusal to suspend the National Policy Statement on National Networks (NPSNN) which is outdated on climate change. Local residents in Derby successfully quashed the DCO planning consent for the A38 Derby Junctions scheme on climate grounds. The DCO planning consent was also recently quashed for the A303 Stonehenge scheme. Legal action is likely, on climate and other grounds, on other controversial schemes in RIS2. TAN can report that local resistance to roadbuilding is increasing around the country.

Investing in the alternatives to roadbuilding

Rail freight, rail electrification, rail capacity improvements, and active travel schemes often have far higher BCRs than road schemes. They are usually far cheaper too.
The Sustainable Travel Towns programme found a benefit cost ratio (BCR) of 4.5 on decongestion benefits alone, while analysis of the six Cycling Demonstration Towns found a BCR of 4.7 - 6.1.[15]

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[14] Legal Challenges – Transport Action Network, TAN website page

[15] Investing in walking and cycling: the economic case for action, March 2015, Department for Transport

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Chris Todd
Director
Transport Action Network

Transport Action Network provides free support to people and groups pressing for more sustainable transport in their area and opposing cuts to bus services, damaging road schemes and large unsustainable developments

254 Upper Shoreham Road, Shoreham-by-Sea, West Sussex, BN43 6BF

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