



Mr Gareth Davies
The Comptroller and Auditor General
National Audit Office
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By email

11 March, 2026

Dear Mr Davies,

Lower Thames Crossing ‘smart’ motorway financial irregularities

We are writing to invite the National Audit Office to investigate the lack of financial controls around the construction of the Lower Thames Crossing ‘smart’ motorway, and the spending of significant amounts of public funds before a Full Business Case has been produced. We also invite the NAO to investigate the loss of user charge revenue that will follow the privatisation of the existing Dartford Crossings and concerns about future risks.

Lack of a Full Business Case prior to construction

Government guidance sets out that prior to financial sign off of a major infrastructure project and the start of construction, a Full Business Case will be produced for Ministers to consider and a final investment decision to be made^{1,2,3}. This is to ensure the project still represents value for money for taxpayers, and is a good use of public funds. However, in the case of the Lower Thames Crossing ‘smart’ motorway (LTC), National Highways has confirmed^{4,5} and Ministers have repeated⁶ that construction has started this year, using some of the £3bn of public money allocated to the project up to 2029. National Highways has also announced that the government has ‘greenlighted’ procurement for a tunnelling machine⁷. However, the Senior Responsible Officer (SRO) appointment letter⁸ from 15 December 2025 confirmed a Full Business Case won’t be produced until 2028, some two years after publicly funded works have commenced. No explanation has been given as to why the rules have been set aside for this project.

We do not believe that this is acceptable, as significant sums of public money are being spent on construction before it has been established via a Full Business Case whether the scheme still represents good value for money. It would be bad enough playing fast and loose with public funds for a publicly owned asset. However, this is a £3bn gift to the private owners of the new crossing who, once the company is formed, will construct and operate it, no doubt with substantial returns in perpetuity, regardless of regulation promises. If anything, it should require higher levels of public scrutiny given it will be enriching private investors and involves the privatisation of valuable public assets.

- 1) We urge the NAO to investigate the financial oversight of the Lower Thames Crossing 'smart' motorway and insist on the full business case being produced and signed off ahead of all publicly funded construction works being permitted. This is to ensure that scarce public funds are well spent and that Government ministers cannot circumvent the financial accountability.**

Important information missing from latest Accounting Officer Assessment for LTC

Prior to the latest Accounting Officer Assessment (AOA) for the LTC, the previous LTC AOA was published in January 2023, dated December 2022⁹, after pressure from the Thames Crossing Action Group. However, this 2022 AOA was inaccurate, and based on out-of-date information from the 2020 Outline Business Case. It gave a BCR of 1.46, when the latest economic assessment produced by National Highways for the DCO examination in October 2022 gave a BCR of just 1.22, putting it in the DfT's low category for value for money.

We wrote to the Treasury about this in January 2023¹⁰, warning that the AOA contained inaccurate and out of date information. Despite our warnings, and the substantial changes to the scheme, a new AOA was only produced on 26 February 2026, after we wrote again to the DfT in December 2025. It would seem that the only time a new AOA is produced for the LTC is when there is public pressure for one.

However, the new AOA does not include an up-to-date cost estimate for the LTC, nor does it contain a new BCR. It simply says that "all 3 options [were] within the low value for money category". When the LTC was first included in RIS2 in 2020, the cost was estimated to be between £6.4 billion and £8.2 billion. When the Development Consent Order was approved in March 2025, the estimated cost of the LTC under the Regulated Asset Base (RAB) funding model currently being developed by the Treasury, had escalated to £9.4bn¹¹. Recently, the Treasury has confirmed the cost is now expected to be £11 billion¹².

The 2026 AOA acknowledges that the value for money between the fully publicly funded and RAB model is "marginal", yet states that if the user charges rise on the LTC and Dartford crossings "the more the public funding option will offer better value for money". From this, it is clear that substantial modelling has been undertaken to assess the value for money of each option under different charging scenarios.

A new Accounting Officer Assessment for the LTC should be produced that includes the latest cost estimate and the BCR of the preferred funding option (RAB). The modelling for different charging scenarios should also be published, to show at what point the privately funded option ceases to be value for money for taxpayers, and the public sector comparator should be considered. The NAO's Private finance for infrastructure report¹³ of March 2025 highlighted the risks of private finance in delivering value for money for taxpayers.

- 2) **We recommend the NAO urgently requires DfT to publish a new Accounting Officer Assessment for the LTC which gives the most up to date value for money and economic assessment, before further public funds are spent. We also recommend the NAO requires that National Highways and DfT publish the modelling showing the value for money assessment for different charging scenarios.**

Loss of user charge revenues from Dartford Crossings

The government has confirmed that it intends to privatise the Dartford Crossings, resulting in the permanent loss of nationally important public assets and the significant revenues these generate for the public accounts. This decision to privatise these national assets has been made without Parliamentary scrutiny or debate. The privatisation of the Dartford Crossings is to enable the operator of the Lower Thames Crossing 'smart' motorway to access the substantial charge revenues to reduce its borrowing requirements. At current levels¹⁴, this is likely to be around £110 million of revenue foregone by the DfT annually (this is net proceeds generated by the crossings, after all operational and maintenance costs have been met). This is not an insubstantial amount and is an unwelcome loss. It will place greater pressure on already squeezed DfT revenue budgets, potentially adversely affecting bus services, heavily reliant on revenue funding.

In response to Parliamentary Questions, Government ministers have stated that this loss of funding has been accounted for in DfT budgets¹⁵. However, they have not stated which budgets will lose out, and the impact that this will have on buses and active travel. We recommend an impact assessment should be undertaken, to assess how the loss of these revenues in perpetuity will impact on DfT's ability to fund other forms of transport used by those without access to a car.

It is also unknown whether the loss of the user charge revenues at Dartford has been factored into the Lower Thames Crossing's cost benefit analysis. Shadow transport secretary Rt Hon Richard Holden MP asked whether the DfT "has included the foregone Dartford Crossing toll revenues in the Lower Thames Crossing project's cost-benefit analysis." However, the answer from the roads minister on 10 February 2026¹⁶ was evasive, simply saying that work on the LTC's cost-benefit analysis was "ongoing".

- 3) **We recommend the committee requests the DfT publishes the latest cost-benefit analysis for the Lower Thames Crossing 'smart' motorway, to illustrate how this loss of valuable revenue funding is factored into the its cost-benefit analysis, and DfT's future forecasts, and to find out which DfT budget will be losing out as a result.**

Future funding obligations and risks not disclosed

There has been much controversy about 'smart' motorways recently, and despite National Highways denying the Lower Thames Crossing is a 'smart' motorway, it is in all but name, being three lanes in both directions with no hard shoulder.

This brings certain risks as shown by National Highways having to spend £900 million retrofitting the 'smart' motorway network with more emergency refuges and improved technology. If the furore over 'smart' motorways persists, the future operator may be required to upgrade the crossing with hard shoulders to restore confidence in the link, either by repurposing the inside lane as a hard shoulder, reducing capacity and potentially revenue, or by widening the road either side of the tunnel, costing capital. Given this is a credible risk, the company will almost certainly require an indemnity against this happening. Consequently, there should be visibility as to what the potential risks and costs to the public purse might be.

4) We urge the committee to seek assurances that any indemnity given to private operators on safety upgrades will be fully disclosed in the Full Business Case.

The independent Major transport projects governance and assurance review (the "Stewart Review")¹⁷ vividly described the problems arising from lack of governance and transparency and cost escalation experienced by HS2. Recommendation 40 of the Stewart Review stated that:

*"A culture of cost control and affordability must be established and prioritised on HS2 and **any infrastructure project**. This must be led from the top."*

And as Darren Jones, Chief Secretary to the Treasury said in a Written Statement to Parliament in July 2025:

*"Greater transparency around investment decisions can support the evaluation of projects and programmes, inform subsequent analysis, and enable better allocation decisions over time."*¹⁸

Transparency around the Lower Thames Crossing 'smart' motorway is long overdue and we urge the committee to investigate these issues as a matter of urgency.

Yours sincerely,

Chris Todd
Director
Transport Action Network

cc

Jonny Mood, National Audit Office
Sir Geoffrey Clifton-Brown MP, Chair, Committee of Public Accounts
Ruth Cadbury MP, Chair Transport Committee
Rt Hon Richard Holden MP, Shadow Transport Secretary
Rt Hon Robert Jenrick MP, Reform Treasury Spokesperson
Olly Glover MP, Liberal Democrat Transport Spokesperson
Sian Berry MP, Green Transport Spokesperson
David Fairbrother, Treasury Officer of Accounts

¹ [Publishing business cases: guidance for departments](#), HM Treasury, June 2025

² [Managing public money](#), HM Treasury, June 2025

³ [Business case guidance for projects](#), HM Treasury, 2018

⁴ [Work on the Lower Thames Crossing will start next year](#), National Highways, 26 November 2025

⁵ [Early work begins on the Lower Thames Crossing](#), National Highways, 5 March 2026

⁶ [Written Answer \(UIN 105754\)](#) by Parliamentary Under-Secretary (Department for Transport), Simon Lightwood MP, 23 January 2026

⁷ [Government greenlights record breaking Lower Thames Crossing tunnelling machine](#), National Highways, 3 December 2025

⁸ [Lower Thames Crossing SRO appointment letter](#), Department for Transport, 15 December 2025

⁹ [Accounting Officer Assessment for Lower Thames Crossing](#), DfT, published in January 2023 although dated December 2022

¹⁰ [Letter to David Fairbrother, Treasury Officer of Accounts, HM Treasury](#), 18 January, 2023

¹¹ [Lower Thames Crossing Funding Statement](#), Table 2.1, National Highways, February 2025

¹² [Taxpayers to contribute more than £3bn to Lower Thames Crossing](#), Financial Times, 3 December 2025

¹³ [Lessons Learned: Private finance for infrastructure](#), NAO, March 2025

¹⁴ The net income from the Dartford Crossings in 2024-25 was £78 million, from the latest set of [accounts](#) published in January 2026. However, charges rose by 40% in September 2025, so annual net income is likely to rise to £110 million by 2026-27.

¹⁵ [Written Answer \(UIN 109246\)](#), by Parliamentary Under-Secretary (Department for Transport), Simon Lightwood MP, 4 February 2026

¹⁶ [Written Answer \(UIN 110096\)](#) by Parliamentary Under-Secretary (Department for Transport), Simon Lightwood MP, 10 February 2026

¹⁷ [Major transport projects governance and assurance review](#), DfT, June 2025

¹⁸ [Written Statement to Parliament \(UIN HCWS810\)](#) by Darren Jones, Chief Secretary to the Treasury, 11 July 2025