The Lower Thames Crossing 'smart' motorway is the enemy of growth

A poor investment and waste of precious public funds

The Lower Thames Crossing (LTC) 'smart' motorway – located in the far South East and more expensive per mile even than HS2ⁱ - poses a direct threat to the economic and social welfare of the people of all nations and regions of the UK because of:

- Cost taking a minimum of £6bn, even with private finance, and potentially up to £16 billion out of the capital budget for all Departments, nations and regionsⁱⁱ
- Cementing inequality nations and regions, already at a disadvantage compared to the South East, are seeing projects abandoned to pay for this largesse (see below)ⁱⁱⁱ
- **Carbon** emitting over 6 million tons of carbon dioxide in its construction and operation, cancelling out hard-won emissions cuts in other sectors of the economy
- **Congestion** increasing congestion by undermining the rail passenger and freight markets across the UK, harming domestic growth and jobs.

The LTC is a Conservative Party relic that has already cost taxpayers £1.2bn. Yet the cash-strapped Labour Government has approved this white elephant and pledged a further £840m to develop it up to April 2027^{iv}. Amazingly – and reminiscent of HS2's outrageous costs - none of this cash will actually build an inch of new road. It is public money that could have delivered more growth in higher value and well-developed rail schemes such as Ely and Haughley Junctions (East Anglia), Dawlish (South West), York expansion and Midland Main Line electrification (Yorkshire & East Midlands).

What the LTC's latest £840m could deliver

In the Spending Review, the Chancellor of the Exchequer made a conscious decision to switch funds from public transport into road building, despite the former being much better for her key objective of achieving economic growth. The £840m pledged by Rachel Reeves for the LTC could almost cover the cost of both the Dawlish and Ely-Haughley rail projects or completing Midland Main Line electrification phase 3. These would provide real benefits quickly, rather than throwing money into the LTC black hole with the false hope of a better tomorrow.

Road users are already paying the price

We have calculated that the toll charges on the LTC and at Dartford could triple to pay for the new crossing^v. This September (2025) saw tolls rise 40% to start to soften up users for even bigger future increases^{vi} so they are less of a shock. The Government is fattening the existing Dartford Crossing before introducing a form of privatisation to pay for the new motorway. It is working people who are already bearing the brunt of paying for the cost of the LTC white elephant which will not solve congestion issues at Dartford (it provides only 5 years temporary relief) and will increase traffic and congestion across a much wider area of the country.



There are better ways to boost the economy

The LTC has a weak business case, undermining claims it is 'vital' for economic growth. The LTC's Benefit Cost Ratio (BCR) is only 0.48, meaning taxpayers will get just 48p back for every pound of their money which is spent. When unevidenced 'wider economic benefits' are included, the adjusted BCR is inflated to 1.22, only just better than breaking even^{vii}. With unpublished cost increases certain since 2022, when these figures were produced, the BCR is likely to be less than 1. A loss-making rip-off for taxpayers throughout the whole of the UK. Private finance would be even worse for taxpayers as the institutions involved in this form of privatisation will require an additional return.

A more effective way of boosting the economy would be to fix Britain's crumbling roads throughout the whole country. This would be electorally popular, increase civic pride (in better looking places), lower costs for motorists by reducing damage to cars and insurance costs and, most importantly, **have seven times**^{viii} **the economic benefit of the LTC.** Apart from being far better for economic growth around the whole country, it would also put a serious dent in the £24bn backlog in local road and bridge maintenance^{ix}.

Many of the critical rail schemes that the Government has 'paused' (effectively cancelled) or ignored (not funded) would offer far more in growth than the LTC and provide more benefits. For example, Ely Junction has a BCR of 4.89, nearly five times that of the LTC.

It is clear the nations and regions of the UK are paying dearly for the LTC

A cheaper, smarter solution for Essex and Kent

TAN has done what civil servants should have done before selecting a new 'smart' motorway between Essex and Kent. In February 2025, we launched our report on cheaper, smarter, more inclusive, low carbon solutions to improving connectivity across the lower Thames: 'Essex-Kent Superlinks'. It focusses on the opportunities from new and enhanced rail and bus services along with new ferries and tram lines. The launch was supported by Jen Craft MP (Labour, Thurrock), Lauren Sullivan MP (Labour, Gravesham) and train drivers' trades union ASLEF.

At only £2.5bn, a fraction of the cost of the LTC (even with private finance), these 'Superlinks' would turbocharge the Essex and Kent economies and deliver the Government's Growth and Opportunity Missions more effectively than the LTC.

Further reading

Explore our <u>website</u> which demolishes the economic and environmental arguments of the LTC's promoters and sets out TAN's evidence for the alternatives.

ⁱ From Factcheck HS2 costs are £475m per mile from 2024. The Lower Thames Crossing is $\underline{14.3m \text{ miles}}$ long and will cost a minimum of £1.2bn (already spent) + £8-9bn (from 2025/26) = £9.2-10.2bn, giving a minimum cost per mile of £643-713m (not counting additional road building required)

ii How the Lower Thames Crossing will take all your funding, TAN briefing, April 2025

The Spending Review saw shovel-ready rail schemes 'paused' (effectively cancelled) such as Midland Main Line Electrification Phase 3, South West Rail Resilience Programme (Dawlish), York Area expansion and Peckham Rye W. Lindrastructure: A 10 Year Strategy, para 3.22, HM Treasury, June 2025

^v See Guardian article, 29 May, 2025: <u>Lower Thames Crossing could triple tolls at Dartford, campaigners say</u>

vi Dartford Crossing charge update, Written Statement, Department for Transport, 17 June, 2025

vii Figures from Table 7.17, <u>Lower Thames Crossing 7.7 Combined Modelling and Appraisal Report</u>, National Highways, October 2022 (Evidence submitted to planning examination)

viii The condition and maintenance of local roads in England, NAO, 23 July 2024, highlights that the DfT's 2020 estimate of the benefit-to-cost ratio of local road maintenance was 7:1 (significantly higher than new road schemes) ix The backlog in local roads maintenance (not including the Strategic Roads Network) is £16.81bn as found in the 2025 Annual Local Authority Road Maintenance (ALARM) survey, carried out by the Asphalt Industry Alliance (AIA). On top of this there is a backlog of around £7bn in local bridge maintenance which gives a total backlog of £24bn