

# **Comments on update for LTC in response to Transport Infrastructure Planning Unit - By John Elliott BSc, C.Eng MICE FCIHT MCMI.**

**Interested Party Reference number: 20034190**

## **1.0 Introduction**

1.1 I would like to thank the Secretary of State for inviting comments on the latest proposals and ideas from interested parties. The notice period for an individual to do justice to more large and complex documents is too short to adequately dissect all the problems likely to arise with this scheme and the latest proposal options but I hope that this submission will be useful in any recommendations or decisions made on the scheme. I am however deeply concerned that alternative funding streams are even being considered for a scheme which has so many major flaws and should be abandoned as soon as possible before any more public money is spent.

1.2 For the potential funding schemes themselves, most of us are now aware of all the problems that have recently come to light on similar funding arrangements for past infrastructure schemes (eg. for roads, street lighting, hospitals, schools etc). Often the public are left with having to fund works to put the infrastructure right at the end of the contract or the funding organisation makes excessive profits with negligible risks. This applies also to privatising a monopoly infrastructure and service provider (eg the Water companies). This is not to say that private operation under a contract with drivers paying directly across a whole network is not a workable model but certainly not for a single section of a well used high capacity route. This would be especially true if the asset and income stream of the present Dartford Crossing was also to be 'given' to a private sector organisation.

1.3 This submission is now in three further parts dealing with;

- Section 2 - some serious problems from the proposals and options described in NH's latest documents and funding arrangements.
- Section 3 - the justification and approval of the scheme by Ministers following the submission of the Inspectors report. Nobody outside the DfT has seen the full content.
- Section 4 – a list of summary conclusions that Ministers should be aware of in making any firm decisions.

**I would urge the Inspectorate team to reference these in any addendum report to the Secretary of State - regardless of any constraints placed on the Planning Inspectorate's normal considerations and normal reporting for Schemes of National Importance.**

## **2. The problems with reported private finance options**

2.1 I have already referred to the proven dangers of such mechanisms in paragraph 1.2 above. Turning to the reports by NH generally and specifically on possible private finance possibilities, I recognise that the private sector can in certain cases have a role in managing national infrastructure but less in its provision.

2.2 In the road user charging document para 1.1.1, it is stated that tolls would apply to the tunnel area only. It is notable that an expert review of the M25 in 2006 by Sir Rod Eddington came to the conclusion that road user tolling for the whole M25 is the only effective way to reduce congestion. The NH report in para 1.2.1 states there is a lack of capacity East of London; Professional Transport Planners and previous Ministers have known for decades that it is not

possible to provide enough capacity anywhere near London or most other major cities in the UK or even elsewhere in the world.

2.3 In 1.2.2 the congestion is slated as an impediment to growth in south east England. Whether this is true is dubious but even if correct, the last and the present Government are keen on trying to get growth in areas well away from the South East. Furthermore, large scale spending with Public Finance or Private Finance on just one scheme in the London/SE area will crowd out schemes that could be of great use in other regions of England. That is if there is any real spare money to spend on new road infrastructure rather than rebuilding our existing road infrastructure (97.5% of the network) which has been allowed to decay. (It should be noted that the recently granted moneys for ‘potholes’ etc. is a small fraction of what is really needed for the whole of the non-Strategic Road network

2.4 NH and the DfT have not followed advice that before a road scheme is considered alternative options are analysed – it seems from the start of the fairly recent (2010) recognition of any problems at Dartford, the DfT have been only considering road enlargements. In paragraph 1.3.1 of the NH submission it states:  
*‘(DfT) published the Dartford River Crossing study into Capacity Requirements’* – hardly open to alternative strategies before spending £800 million by now on the LTC.

2.5 in para 1.3.4 of this NH Road User Charging report it summarises three options for funding:

- “(a) public funding under the Road Investment Strategy process (Full Public Delivery model);*
- (b) full public funding for the tunnels, with the connecting roads being delivered and funded by the private sector under Design, Build, Finance, Operate and Maintain (DBFOM) contracts (Public Tunnel and DBFOM Roads model); and*
- (c) a regulated private entity model, under which a private sector body finances, builds and operates the Project in its entirety in perpetuity, subject to the oversight of an independent regulator (Regulated Private Entity model).”*

All three demand substantial new public funding for a scheme in South East England (please see comment in para 2.3) and, while the reports quote that £800 million has already been spent on this scheme, I would urge Ministers not to throw good public or private money after bad.

It is early enough to stop costs spiraling on complex construction proposals and complex relationships in the management of this project. Topically HS2 cost problems are an object lesson to avoid.

2.6 The cost table, as provided by NH for the various funding options, is as follows:

	1. Full Public Delivery	2. Public Tunnel & DBFOM Roads	3. Regulated Private Entity
Total capital funding required (25/26 onwards)	£8.0bn	£9.0bn	£8.2bn
Public capital funding (25/26 onwards)	£8.0bn	£4.7bn	£1.9bn
Private capital funding (25/26 onwards)		£4.3bn	£6.3bn
Total estimated capital cost (incl. historical)	£9.2bn	£10.2bn	£9.4bn

2.7 It is not certain where and how these costs have been derived and updated to any year of completion, noting that almost all major transport projects have serious overruns, or whether the specific risks of the low carbon concrete proposed to be used in the tunnel construction have been properly considered (cf. concrete problems from recent findings on school and hospital roofs or 1980s findings on many 1960s blocks of flats).

2.8 All options demand very substantial public funding sums in a difficult national financial situation and would also crowd out infrastructure investment away from the South East as mentioned in 2.3 above.

2.9 Although the public cost is 'only' £1.9 bn for the Regulated Private entity they would profit from the public investment made in the Dartford Crossings being 'given' to them with the revenue from the new crossing. This would be a substantial loss of continuing finance in perpetuity for the nation. Probably the publicly funded option provides the least bad financial deal and return to all of us. Also there would obviously be a fear that the regulation regime may not in practice protect tax payers or users as well as it should. Perhaps the Water Companies regulation is an example of what could go very wrong. Any private sector operator will inevitably try to get the best return it can from any investment or spending and financial engineering is more than likely with such a large project.

### **3.0 The inspectors report, other evidence and full advice (regardless of present constraints) to Ministers on the scheme**

3.1 It is understood that at National Infrastructure hearings, the National Transport Policy Statement (NPS) and I believe associated Treasury and DfT processes are also not to be considered, analysed, questioned or normally reported on by the Inspectorate team. However these out of date policies and interpretations in the statutory documents and indeed the way they are used (eg. DfT TAG alignment with Treasury Green Book) but should at least be considered by the new Government Ministers. This is especially relevant for this scheme as it is more than likely they would want a new/different approach on all these and particularly climate change.

3.2 It is perhaps worth remembering that the last Labour Government, before such issues became even more pressing, had a very different approach than in about 2014 when the NPS was first published. Even then most professional Transport Planners felt that the Policies and processes were not the right way forward. I gave evidence on this issue from the Local Government Technical Advisers Group (LGTAG) and the other key Professional Transport and Planning Institutions.

3.3 NH reported on an announcement that the Chancellor of the Exchequer and other statements from the Politicians in power seems to be supporting the scheme. The two statements included in NH's submission, are discussed in para 3.9 below. However the announcements may be because of the 'constrained' (by the rules of Schemes of National Importance) report from the Planning Inspectorate or from the choice of assumptions and calculations from NH or officers in the DfT not reflecting the real benefits and costs of the scheme.

3.4 In either case - advice and inaccuracies in assessment by NH or the hands of the Inspectorate team being tied under the rules, or that evaluations are carried out under a totally opaque and inaccurate analysis system, makes it extremely difficult for senior officers in the DfT or Treasury to properly understand and report on the technical modelling or Socio Economic case.

3.5 It is then left to very busy politicians (especially with the world in turmoil and serious other priorities) to try and understand a (falsely) modelled and evaluated future situation and try and make a decision on the merits of this extremely expensive road scheme. With the range of 'adjustments' and assumptions that a road promoter can make in any evaluation, it is highly unlikely that senior Government advisers let alone Ministers could understand any flaws in the enormous modelling and analysis processes. Accordingly the recent pronouncements by Government Politicians have been made according to bad or incomplete advice. Key Ministerial statements, as reported in the NH documents, are briefly discussed in paragraph 3.10.

3.6 It is extremely important that new Ministerial teams are aware of the flaws in the processes of assessing schemes and the implications of the present (outdated) NPS and assessment processes. With other priorities and in the time available since being in power, a full review of the NPS is not immediately possible for the new Government but at least Ministers should be advised of the identified flaws in the processes as listed in 3.9 below.

3.8 I presented a number of documents to the Examiners demonstrating some of the most serious problems with the analysis. It should be noted that the bulk of the Professional Institutions representing Transport in Planning or Engineering have agreed on the flaws as demonstrated by evidence provided by me to the hearings.

### 3.9 **The flaws in analysis and full reporting of benefits and downsides of the scheme**

- I. The analysis may follow the process laid down in TAG which is apparently in line with the Treasury Green Book. I also understand that under the rules of the Examination of such schemes TAG, the Green Book and indeed the National Traffic model and National and even local forecasts are not up for testing or debate. Ministers, before they accept any briefing of a scheme carried out under such opaque rules, should perhaps be made aware of the extensive flaws in the 'results' they are provided with, regardless of the 'agreed process'.

*I would ask that this message in particular be transmitted to Ministers (if need be separately from the aspects the Examiners are normally advised to report) before any decision on this scheme is made with or without private finance.*

- II. It should be remembered that the so called economic benefits from the scheme are mainly socio economic benefits derived from (falsely) calculated time savings turned into money from car drivers and mainly in peak periods (a time that most of the public as well as our leaders wish to discourage car traffic). This rather false socio economic benefit is supposed to reflect how the public value theoretical time savings on Strategic Road capacity increases. There is now much evidence that many people actually favour slowing down traffic (eg 20 mph schemes which can be very popular). There are some other potential real economic benefits (economic regeneration) but the analysis by NH is similarly dubious; again I did provide evidence of this to the hearings.

- III. From more publicly understandable and practical viewpoints, any marginal saving in travel time on enlarging links on the National Road network result in greater delays elsewhere (whether it is the next link, junction or indeed in the towns that people may want to travel to). This is well recognised by the general driving public.
- IV. There is a common public perception and that it appears logical to most people that a bypass relieves traffic congestion on the bypassed route. While LTC is a part bypass to a bypass of London, it is well known and proven beyond doubt that, anywhere near a major city and particularly very large cities like London, any new roads will fill up with traffic very quickly (provided traffic can access it for a journey). Traffic generated from this scheme has been grossly underestimated and has not taken any proper consideration from the results from past road schemes near London.

*From points III and IV, Ministers need to be made aware that the real relief from Traffic congestion at Dartford would be truly minimal and would last 2-5 years at best. Meanwhile traffic congestion elsewhere would be substantially increased.*

- V. Dartford Crossing is without doubt very busy and quite often congested but often less so than other sections of the M25 – the works at junction 10 have been consistently causing havoc for about 3 years now! It is also notable that the speed limit on the Dartford Crossing and its approaches is 50 or 60 mph. This reduced speed, at less than the national limit of 70mph, would show up as a calculated delay being partially solved by the LTC in the TAG/Green Book based analysis. Most people would be content and accept that such lower speeds are not really congestion.
- VI. Taking junction 10 (A3/M25) as an example, the construction delays to traffic have been enormous and been a really bad experience for a vast number of motorists as well as businesses and residents nearby. It is obviously much too late to reverse that scheme but it serves as an example of massive disruption, damage to the environment and increase in carbon use. That scheme, like the LTC, will have minimal real benefits to the public when eventually completed and will encourage more long distance car commuting towards London. Junction 5 on the M2 with the A249 is another example. The construction of the junctions of the LTC with the A2 and M2 and across the A226 will almost inevitably cause similar havoc in Kent and there will be similar situations at various junctions in Essex.

3.9 As mentioned in paragraph 3.3, I am concerned that recent statements by Government Ministers are based on incomplete advice or the outdated NPS and TAG processes as mentioned in paragraph 3.2.

The Chancellor of the Exchequer has been quoted by NH as saying:

*“the government is also assessing options for privately financing the Lower Thames Crossing, which will improve connectivity across vital ports and alleviate congestion as goods to be exported come from across the country to markets overseas”.*

It is difficult to see how or even why it is necessary to increase connectivity between ports by road – if it is necessary to increase such connectivity, sea freight is the most obvious solution. As explained in all my evidence to the hearings and summarised above, building extra Strategic

Road capacity, which will soon be filled up with car traffic, will not help goods 'exports' (or imports which could be greater on the LTC) but reducing car traffic would.

The Chief Secretary to the Treasury in the House of Commons on 21 March apparently stated:

*"I am grateful to my honourable friend who has met me on a number of occasions to make a case for the Dartford Crossing. Obviously, in the current difficult circumstances with inflationary pressures, we have had to make some tough choices, but I want to be very clear with my hon. Friend: we remain committed to delivering it. This is a two-year delay on construction, not a cancellation, and I will update him in due course."*

A Ministerial Statement almost certainly have been written by DfT/NH officials apparently said:

*"To date we have spent over £800 million on planning the Lower Thames Crossing. It is one of the largest planning applications ever, and it is important we get this right. We remain committed to the Lower Thames Crossing, and the development consent order process will be an important opportunity to consult Planning Inspectorate to ensure there is an effective and deliverable plan. In order to allow time for this process and given wider pressures on [Road Investment Strategy] RIS, we will look to rephase construction by two years."* "We remain committed to the Lower Thames Crossing,"

For the reasons outlined in this submission, I do not believe that the Chief Secretary of the Treasury or any of the present Government Ministers would be committed if they had understood the very limited benefits and enormous costs and risks to all of us of this scheme.

## **4. Summary Conclusions**

4.1 Regardless of the rules by which the Inspectors are normally required to report and the prominence of advice from DfT official processes, I would urge that a message be transmitted from the Inspectorate in the addendum report or separately so that Ministers can be advised directly and fully of great costs and negligible benefits of this scheme .

4.2 The key messages that I sincerely believe, from extensive technical and practical experience of the whole of London and the south East and demonstrable facts, are:

1. It is accepted that Infrastructure investment is needed particularly for decarbonising (more electricity and less heat loss), cleaning up our water and bringing back up to a reasonable standard Schools, Hospitals, 97.5% of the Road Network etc. These other really essential tasks will undoubtedly help the economy across the whole country.
2. Enlarging Strategic Road infrastructure (especially near large cities) will not help the local environment, will cause much greater congestion away from a scheme within about 5 years and would result in more carbon dioxide emissions.
3. Public perception is however important particularly to Politicians. It would seem logical that a bypass to the Dartford Crossing should reduce congestion at that point. However, most motorists will realise from their own experience that the queues away from such schemes get worse quite quickly especially in the area around big cities (or the whole South East!).
4. Previous (pre 2010) Ministers of both Conservative and Labour parties realised this. Peter Bottomley, John Selwyn Gummer (Lord Deben), Stephen Norris and John Prescott were all firmly against significant increases in Road capacity and indeed Boris Johnson

eventually followed a pro sustainable approach. It was from the beginning of the last Conservative government that much money (much of it to no real benefit) has been spent - many would say wasted - on the National Road Network when there were many other priorities for public spending.

5. The costs of the scheme are enormous - the Private Finance possibilities suggested by NH would cost more to the Nation and would still result in very substantial public capital expenditure in both the first two options. In the second option there would be a continuing drain on revenue expenditure to the private sector. In the third option not only would there still be a substantial public expenditure of £1.9Bn but there would also be a continuing loss of a revenue stream in 'perpetuity' to the nation. All three have no real benefits, would cause major disruption during construction and would not relieve congestion overall, and, even using the appraisal methods presently used, have calculated socio economic benefits so close to the costs that such a scheme should never pass any test of good value for money.

Any queries on this submission or for other documents needed by the Inspectorate Team, DfT officials or Ministers please contact me anytime - [REDACTED] [REDACTED]  
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(Please note that this is a private submission and I have received no financial contribution in its production my only interests are that I would have marginally saved journey times when travelling off peak across the Thames but increased journey times on journeys up the A2 and M2)

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