

Roads built by private companies 'will end in mass tolls'

Philip Pank Transport Correspondent

The Prime Minister's commitment to "massively increase" the amount of private sector finance on trunk roads ran into strong opposition from transport groups yesterday, but won the support of the business lobby.

Motoring organisations and transport charities said that plans to let private companies charge drivers to use new roads and possibly new lanes on existing routes would inevitably lead to more widespread tolls. Motorists would be unwilling to pay unless other taxes on driving, such as vehicle excise duty and fuel tax, were cut, they said.

Some critics insisted that the best way to alleviate congestion on the roads was to invest heavily in public transport. However, business organisations and the contractors who already run large parts of the strategic road network welcomed the initiative.

Andrew McNaughton, chief operating officer of Balfour Beatty, said: "We would strongly support the Government in what they are trying to do."

Philip Hoare, managing director of highways and transportation at Atkins, the engineering group, said: "It is very welcome news."

Both companies are already part of a joint venture to build new lanes on the M25 and to operate them for the next 30 years. While neither would say how much money they will make from the £6 billion contract, both companies are keen to extend their hold over the strategic road network.

The Government already has contracts with private sector companies to build and maintain some of the busiest

roads, including sections of the M25, M40, A1(M), A1-M1 link, A50, A30, A69, A90, A249 and A419.

The Conservatives launched so-called design, build, finance and operate (DBFO) contracts in 1992 as a precursor to motorway tolls. Labour abandoned its plans for road-user charging in the face of a virulent public backlash.

Private-sector contracts have run into controversy. The National Audit Office has been highly critical of the contract to widen the M25, which it said had resulted in financing costs that were up to £1.1 billion more than alternatives. But David Cameron aims to build on the DBFO initiative to attract sovereign wealth and pension funds to invest in British roads. He insisted that the policy, to be drafted in the autumn after a period of consultation, would not result in "mass tolling" on existing roads. However, the builders of new capacity would be able to charge drivers to use them.

Motoring organisations, including the AA and the Institute of Advanced Motorists, fear that this will ultimately result in more widespread tolls.

"Many drivers can't afford current fuel prices, so new charges would be a toll too far," said Edmund King, president of the AA.

Stephen Glaister, director of the RAC Foundation, said: "There will have to be, as in the water industry, ring-fencing of the money to be spent on improving the roads and possibly also reducing fuel duty to give something back to road users or else it will be perceived as a stealth tax and that will not be acceptable."

Ministers are considering giving road builders a share of vehicle excise duty receipts. Critics note that this would not open up new funding streams but would simply shift the tax burden around the system.

Some opponents of private sector funding for the roads point to the M6 toll in the West Midlands, which carries less than half the number of cars it was designed for. They say that after eight rises on the cost of using the 27-mile road in nine years, it has become too expensive for many drivers.

Stephen Joseph, chief executive of the Campaign for Better Transport, said: "The M6 toll hasn't worked for motorists, shareholders or the community and there is no reason to think other toll roads would do better."

Eleanor Besley, policy adviser at Sustrans, said: "The Government should be doing more to improve our rail system rather than sealing the fate of the roads to match the trains."

"Selling off a major asset to overseas investors risks sending money abroad during a recession — it will also keep people dependent on their cars rather than making it easier to use trains, buses and to walk and cycle."

