

The M6 Toll – ten years on



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Summary

The ten year anniversary of the opening of the M6 Toll motorway is on 9 December 2013.

Campaign for Better Transport has previously analysed the results of the Highways Agency's five years after study, showing that the road was failing to relieve the parallel M6 at the same time as bringing in lower than expected numbers of toll-paying customers and low returns for investors.

This document updates that analysis with the latest traffic data, and finds that in the second five years of its first decade the problems of the M6 Toll have only worsened:

- In 2012, the average for all the count points was just 30,541 vehicles per day, 24 per cent below the peak of 41,473 vehicles seen on the road in 2007
- In the past decade the M6 Toll has never come close to predicted patronage levels of 75,000 vehicles per day
- **The road has not reduced problems on the parallel M6. Between 2006 and 2012 average daily traffic levels on the untolled motorway increased by 1.5% (1,700 more vehicles per day)**

It also outlines the wide range of problems faced by proposals for a new toll road on the A14 in Cambridgeshire. Toll plans have now been shelved with the £1.5 billion cost of this road intended to be paid from Government transport budgets.

The Government should have learned the lessons of the M6 Toll instead of pinning its hopes on private finance for new roads. This report also puts forward a range of better alternatives to large new road projects that would benefit private investors, transport users and the public purse.

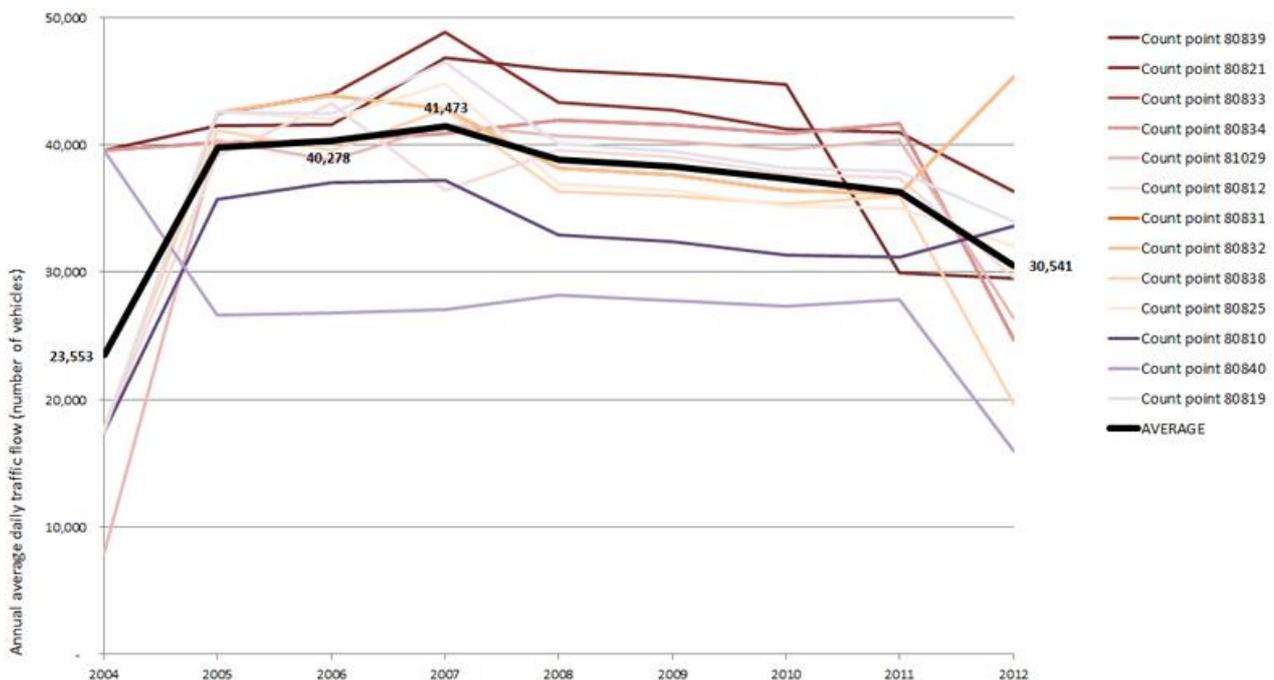
1. Ten years of the M6 Toll – key facts and figures

We have updated our findings from five years ago and collected together a complete record of annual traffic levels since the opening of the road. Full tables and a map of official count points used are in the Appendix.

Traffic findings for all vehicles:

- Since a peak in traffic in 2006/7, patronage of the M6 Toll has fall steadily year on year
- In 2012, the average for all the count points was just 30,541 vehicles per day, 24 per cent below the peak of 41,473 vehicles seen on the road in 2007
- In the past decade the M6 Toll has never come close to predicted patronage levels of 75,000 vehicles per day¹

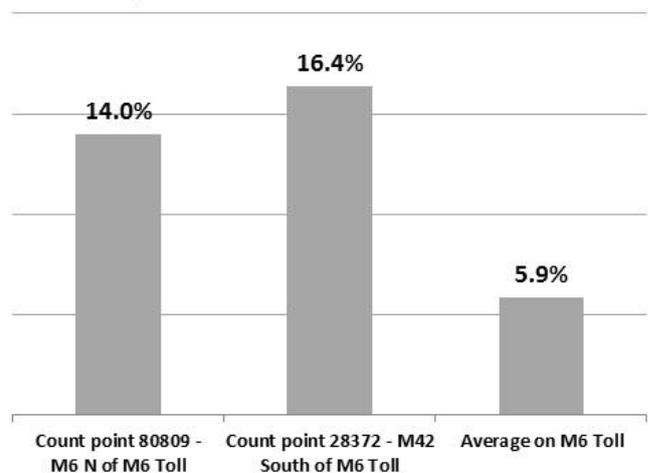
Fall in M6 Toll traffic - all vehicles



Traffic findings for HGVs:

- Heavy Goods Vehicle (HGV) toll rates have risen more steeply than the prices charged to cars, and the numbers of HGVs using the M6 Toll has also fallen - down 14% from the 2007 peak
- The proportion of HGVs on the toll road is much lower than on the parallel M6. A comparison between traffic count points shows that, in 2012, while 14-16% of vehicles on the M6 before and after the junction with the toll road were HGVs, they represented only 6% of traffic on the M6 Toll

Proportion of HGV traffic - 2012 data



¹ http://www.foe.org.uk/resource/press_releases/first_anniversary_of_m6_to_08122004

Fall in M6 Toll traffic - HGVs



Cost of driving on the M6 Toll:

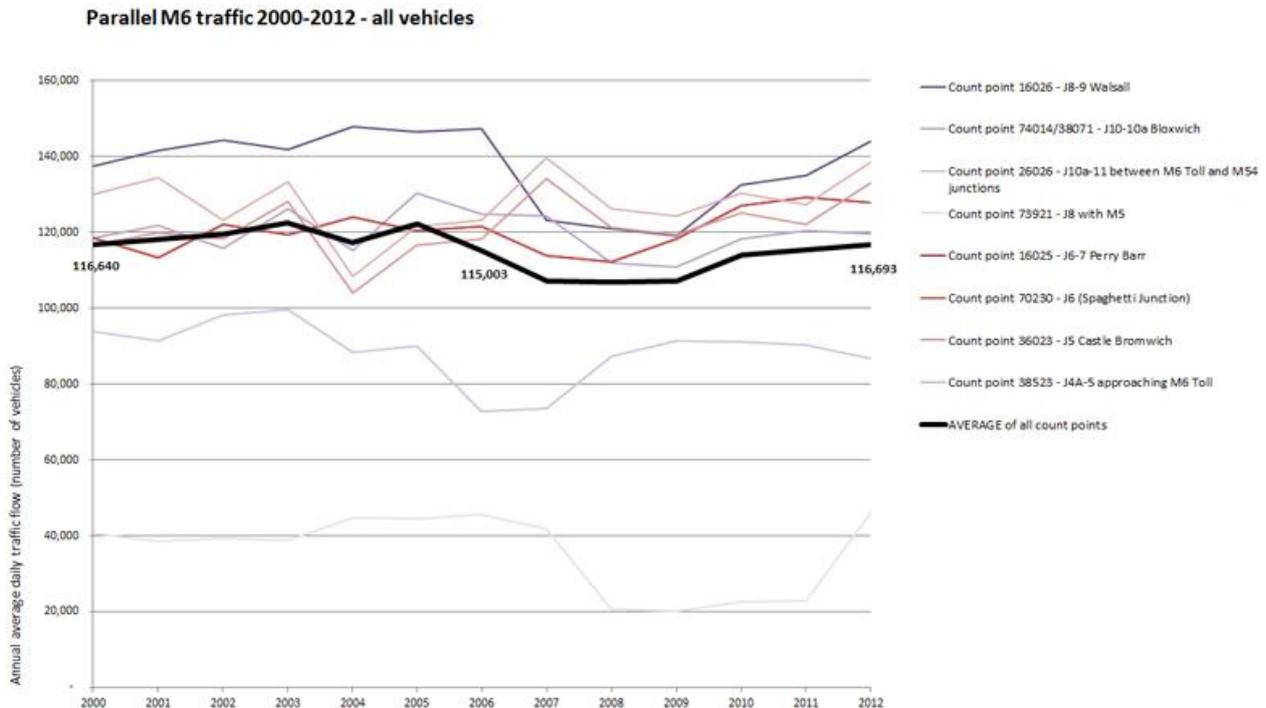
The chart below shows the cost of driving on the M6 Toll for cars and HGVs. Prices have risen dramatically since the road was opened in 2004. The steep rise in HGV prices is likely to be responsible for the much lower proportion of HGVs on the toll road than on the parallel M6.

Rise in M6 Toll charges



Traffic problems continue on the parallel M6:

The chart below shows traffic levels for all count points on a parallel North-South journey along the M6 since 2000. It is clear that no reduction in traffic levels has resulted from the building of the M6 Toll over the past decade, so drivers have failed to benefit, while the surrounding area has suffered a large amount of environmental damage and increased noise and air pollution from the new road.



The M6 corridor bucks national travel trends:

While traffic on the M6 Toll has dropped dramatically from its peak, since 2007 traffic on the M6 has actually increased, in contrast to national and regional traffic trends in which traffic levels flattened off prior to the recession and have fallen and levelled off again since 2006/7.

This trend mirrors the reduction in traffic on the M6 Toll and is likely to reflect some of the drivers who were previously paying to use the toll road diverting to the free motorway in order to economise.

Trends between 2006 and 2012:

- **Nationally, total traffic on main roads decreased by 2%**
- **Across the West Midlands region, total traffic on main roads decreased by 0.4%**
- **On the M6 Toll, average daily traffic levels reduced by 24% (9,700 fewer vehicles per day)**
- **On the parallel M6, average daily traffic levels increased by 1.5% (1,700 more vehicles per day)**

2. Comparison with five years ago

Campaign for Better Transport's report *The M6 Toll, five years on* analysed data published in the Highways Agency's five years after study and was published in 2010. It can be downloaded from:

<http://www.bettertransport.org.uk/system/files/M6-Toll-Report-Aug-10.pdf>

Our report looked at traffic levels and revenue and found that the M6 Toll project was failing to live up to expectations either in congestion relief or returns for investors.

Traffic:

The Highways Agency's five year report and analysis of the impact of the M6 Toll found that:

- While traffic on the M6 has continued to rise since the opening of the toll road, the average daily flow on the M6 Toll did not meet expectations, and had been falling sharply since 2006.
- Five years after opening, weekday traffic was down 3-5%, Friday traffic by 14-15%, and Saturday traffic by 30%

The road also failed to benefit the existing M6. Although the new motorway provided some initial congestion relief, over the first five years of operation the time savings and congestion benefits were eroded by traffic generated by the toll road or rerouting back to the M6.

The Highways Agency's report noted that by 2008

"flows on the parallel M6 appear to have returned to near pre-M6 Toll opening levels"

The data presented in section 1 shows clearly that this problem has continued and, despite the presence of an alternative route, the Highways Agency has carried out a number of projects to increase capacity on the parallel M6.

Finance:

Financial returns for the road were found to be correspondingly low, matching the low number of drivers prepared to pay to use the road:

- As a result of lower than expected traffic levels and toll income, and high debt financing commitments, Midland Expressway Ltd posted losses of around £26 million a year between the road's opening in 2003 and 2010
- Revenue was found to be in steady decline, as traffic on the toll road has been falling since 2006.
- Even when the road was busiest (when there were major roadworks on the M6), MEL was still losing millions of pounds a year

In 2010, the Highways Agency had also recently completed works on the existing M6 in order to relieve the congestion that had persisted despite the availability of the M6 Toll. The expansion of the alternative route had further added to issues of low traffic levels on the toll road.

Today, this programme of expansion (the Managed Motorways programme, now renamed Smart Motorways) continues. The Birmingham Box Phase 3 Smart Motorway project is under construction and is expected to be completed in the second quarter of 2014.²

The updated traffic numbers presented above show that the M6 Toll remains a problem for its financial backers.

² <http://www.highways.gov.uk/roads/road-projects/M6-Birmingham-Box-Phase-3>

- Traffic levels on the toll road are even lower now than in 2010 when our first report was written – traffic in 2012 was 19% lower than in 2010
- Since its peak in 2006, traffic on the M6 Toll (all vehicles) is down 25%

The owner of the M6 Toll – Macquarie Atlas Roads Limited – is seeking to refinance its debt on the road in the near future. 2013 has seen initiatives to increase traffic, including a toll-free July offer for HGVs. At a current rate of £11.00 per vehicle trip, high charges for HGVs have seen very few of these vehicles using the road.

3. Lessons of the M6 Toll – problems with bringing private finance into road building

The Government has recently abandoned plans to toll a new bypass of the A14 in Cambridgeshire, two years after proposing to part-finance this project with a toll paid by vehicles using the road. Campaign for Better Transport has been warning against this approach to road funding since 2011.

The Government should have learned the lessons of the M6 Toll before proposing more roads on this model. The experience of this road, along with a wealth of other evidence, pointed to a new generation of toll roads being a damaging, risky and counterproductive policy for the UK.

We published a briefing on the risks of toll road investment in November 2011 when the new policy was first proposed. This briefing drew on the experience of the M6 Toll and attempts to finance the Mersey Gateway Bridge, and also looking at other projects around the world.³

It identified a number of risks for toll road investors worldwide, and further factors that apply to driving and drivers in the UK, showing that private investors should be extremely cautious about backing new toll roads in this country.

These risk factors were:

- The need for large guarantees from local or national government to make these investments attractive, which makes them vulnerable to political changes and pressure
- Additional risks to timescales for regulatory approval and delivery, due to community opposition to new roads
- Strong evidence that forecasts for traffic on existing roads, and toll roads in particular, are over-optimistic worldwide and in the UK, as the M6 Toll experience shows. A 2011 analysis of 100 completed toll road projects around the world found that road traffic forecasts have been over-optimistic by 20-25 per cent
- Additional problems in the UK due to longstanding driver opposition to pay-as-you-drive
- The UK also has a very highly developed existing network with large numbers of alternative routes available to drivers who wish to avoid tolls compared with other countries in Europe and the rest of the world

We also highlighted the difficulties inherent in funding a bypass of the A14 in Cambridgeshire with tolls. The A14 bypass was put forward by the Government in 2011 as the first of a new wave of toll roads, but it immediately faced stiff political opposition, as well as problems resulting from the factors listed above.

³ <http://www.bettertransport.org.uk/system/files/toll-road-investment-briefing.pdf>

A detailed study of the potential for tolling an A14 bypass of Huntingdon was commissioned by the Highways Agency and released in November 2012. Its traffic and financial modelling calculated a very high deterrence effect from tolls, and the Financial Times reported that the study had "struggled to produce an economically viable option".⁴

Starting with a £2 charge for cars and a £4 charge for HGVs – a rate based on the theoretical value of the time saved by drivers using the new road – the study found drivers were diverting to local roads in such numbers that the congestion benefits that had been calculated for an untolled road were reduced or even eliminated.⁵

Tolling at this level was found to wipe out the congestion benefits for commuters completely, and benefits to business drivers were cut by 72-78% compared with no tolling. This left an economic benefit of – at best – just 93p for every pound spent on building the road, even when money collected from tolls was taken off the cost of the scheme. A lower toll rate of £1 for cars and £2 for HGVs was also modelled and was able to break even at the expense of raising a much lower potential income for investors.

The Government recently consulted on a preferred route for the bypass and a tolling regime of up to £1.50 per journey for cars.⁶ Campaign for Better Transport warned again of the potential effects on local roads from drivers avoiding the tolls in our response to the consultation.⁷

4. Better options for transport investment – private and public

In August 2012, Campaign for Better Transport published a report on a range of methods the Government was considering for attracting private investment into new road-building projects.⁸

We proposed that road policies, strategies and funding should remain under public and democratic control, while putting forward a number of other options for private funders wishing to invest in transport infrastructure and projects in the UK.

For private investors, public transport infrastructure represents a much more secure and good value option:

- Where rail re-openings have occurred there is strong evidence that the returns on investment are stronger than expected, with higher rates of usage than forecasts predicted.⁹ For instance, the Ebbw Vale – Cardiff line (reopened February 2008) was, by October 2009, carrying one million passengers against a projected 'estimate' of just 400,000 by 2012
- Other public transport projects, along with related developments such as railfreight terminals and transit-oriented development around railway stations, also have much more readily identifiable revenue streams than new roads and can provide better returns for investors. These returns would also come with fewer guarantees and costs to the public purse¹⁰

⁴ <http://www.ft.com/cms/s/0/0cb41fd2-37fa-11e2-a97e-00144feabdc0.html>

⁵ <http://www.bettertransport.org.uk/blogs/roads/281112-a14-tolls>

⁶ <https://www.gov.uk/government/consultations/a14-cambridge-to-huntingdon-improvement-scheme>

⁷ http://www.bettertransport.org.uk/files/A14_HA_Consultation_response_Oct13.pdf

⁸ Problems with Private Roads, Campaign for Better Transport, August 2012
http://www.bettertransport.org.uk/files/admin/Problems_with_Private_Roads_FinalWeb.pdf

⁹ For examples, see How Actual Rail Demand Far Exceeds Theoretical Modelling 'Forecasts': The Need for Fairer and More Representative Assessment Procedures, Railfuture Scotland, 2009.

¹⁰ Conference on opportunities for financing station improvements. Campaign for Better Transport and Norton Rose, June 2011. Presentations available at: <http://www.nortonrose.com/invitations/2011/the-future-of-station-development-50520.aspx>

For public money, we have repeatedly promoted options that demonstrate better value than large road-building projects, including '**smarter choices**' programmes of travel planning and traffic reduction and a wide range of **rail, bus and active travel** infrastructure projects. Most of these options are smaller and quicker to get started than new roads, which require extensive permissions, generate opposition and – even when unopposed – take many years in the planning stages before construction can begin.

Instead, for the road network, we have called repeatedly for a greater focus on '**fix it first**' maintenance, on making more efficient use of the extensive network of roads the UK already enjoys, and on improving public transport alternatives, particularly buses and railways.

Specifically in response to the Highways Agency's A14 proposals, we proposed a 'corridor planning' approach, with a costed programme of measures designed to reduce traffic, which represents a much better long term approach than a large new road project that would create new traffic and entrench car dependency:

- **Read more about these proposals in our response to the A14 Challenge here:**
http://www.bettertransport.org.uk/files/A14_Challenge_response_CBT_final.pdf

More about our proposals for alternatives to large new road projects:

- **Joint letter with cycling charities to the Chancellor**, calling for a focus on road maintenance because it benefits all road users:
http://www.bettertransport.org.uk/files/Repair_Renewal_letter_CTC_LS_CPRE_SUS_June2013_FINAL_0.pdf (July 2013)
- **Joint letter with the Federation of Small Businesses and the Construction Products Association to the Transport Secretary** calling for a dedicated Road Repair and Renewal Fund ahead of big projects:
http://www.bettertransport.org.uk/files/Local_roads_letter_FSB_Nov2012_FINAL-1.pdf (November 2012)
- **Reopening Railways** – the case for growing the rail network and how it can be achieved:
<http://www.bettertransport.org.uk/files/reopening-railways-report.pdf> (July 2012)
- **Fixing the link** – the economic and social benefits of improving the walk from the railway station to the town centre: <http://www.bettertransport.org.uk/files/13.11.04.fixing-the-link.pdf> (November 2013)

December 2013

Sian Berry
Campaign for Better Transport

Campaign for Better Transport's vision is a country where communities have affordable transport that improves quality of life and protects the environment. Achieving our vision requires substantial changes to UK transport policy which we aim to achieve by providing well-researched, practical solutions that gain support from both decision-makers and the public.

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Appendix – traffic count points and full data tables

Figure 1: Count points used in the tables and charts

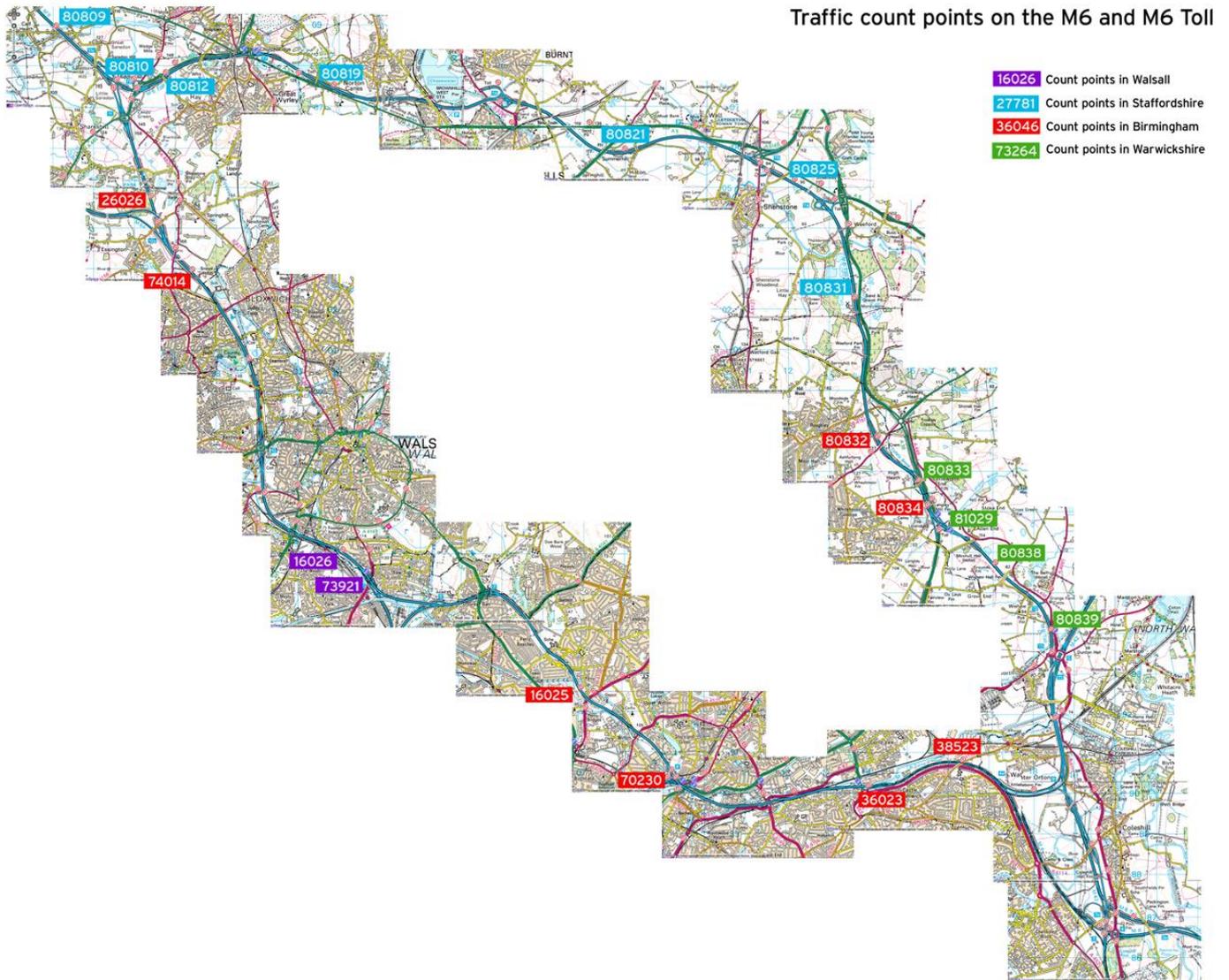


Table 1: Traffic data on the M6 Toll – all traffic

Annual Average Daily Traffic Flow - all motor vehicles	Count point 80839	Count point 80821	Count point 80833	Count point 80834	Count point 81029	Count point 80812	Count point 80831	Count point 80832	Count point 80838	Count point 80825	Count point 80810	Count point 80840	Count point 80819	AVERAGE
2004	39,563	17,470	39,563	39,563	7,879	17,470	17,470	17,470	17,764	17,470	17,470	39,563	17,470	23,553
2005	41,469	42,413	40,141	40,141	40,327	39,132	42,488	42,488	41,122	42,641	35,695	26,627	42,534	39,786
2006	41,592	43,931	40,347	40,347	38,756	43,221	43,802	43,802	39,524	42,031	37,026	26,762	42,472	40,278
2007	46,842	48,847	40,824	40,824	41,562	36,441	42,749	42,749	42,810	44,794	37,184	27,059	46,462	41,473
2008	45,881	43,292	41,943	41,943	40,691	39,573	38,172	38,172	36,317	36,922	32,871	28,193	40,034	38,770
2009	45,412	42,695	41,532	41,532	40,285	39,019	37,663	37,663	35,951	36,418	32,422	27,765	39,462	38,294
2010	44,696	41,252	40,881	40,881	39,645	37,682	36,405	36,405	35,364	35,202	31,335	27,350	38,125	37,325
2011	29,936	40,955	41,623	41,623	40,346	37,409	36,171	36,171	35,979	34,969	31,120	27,799	37,852	36,304
2012	29,502	36,347	24,692	24,692	26,373	29,617	45,293	45,293	19,643	32,030	33,645	15,927	33,978	30,541
% change 2006-2012	-29.1%	-17.3%	-38.8%	-38.8%	-32.0%	-31.5%	3.4%	3.4%	-50.3%	-23.8%	-9.1%	-40.5%	-20.0%	-24.2%
Change 2006-2012	-12,090	-7,584	-15,655	-15,655	-12,383	-13,604	1,491	1,491	-19,881	-10,001	-3,381	-10,835	-8,494	-9,737

Table 2: Traffic data on the M6 Toll – HGVs

Annual Average Daily Traffic Flow - HGVs	Count point 80839	Count point 80821	Count point 80833	Count point 80834	Count point 81029	Count point 80812	Count point 80831	Count point 80832	Count point 80838	Count point 80825	Count point 80810	Count point 80840	Count point 80819	AVERAGE
2004	4423	2435	4423	4423	881	2435	2435	2435	1987	2435	2435	4423	2435	2893
2005	1587	1226	2670	2670	1185	1244	1291	1291	1208	1331	1171	3197	1174	1634
2006	1548	1532	2623	2623	1263	1584	1507	1507	1278	1488	1554	3200	1150	1758
2007	1710	1677	2578	2578	1658	1387	1529	1529	1664	1542	1477	3189	1775	1869
2008	1624	1420	1487	1487	1323	1263	1287	1287	1134	1297	1176	3767	1573	1548
2009	1477	1305	1355	1355	1201	1168	1196	1196	1032	1196	1094	3482	1459	1424
2010	1465	1295	1326	1326	1179	1159	1188	1188	1014	1186	1090	3417	1449	1406
2011	1076	1234	1295	1295	1142	1111	1146	1146	986	1139	1047	3371	1396	1337
2012	1084	1217	2103	2103	2066	932	1296	1296	1721	962	995	2668	1304	1519
% change 2006-2012	-30.0%	-20.6%	-19.8%	-19.8%	63.6%	-41.2%	-14.0%	-14.0%	34.7%	-35.3%	-36.0%	-16.6%	13.4%	-13.6%
Change 2006-2012	-464	-315	-520	-520	803	-652	-211	-211	443	-526	-559	-532	154	-239

Table 3: Traffic data on the parallel M6

Annual Average Daily Traffic Flow - all motor vehicles	Count point 16026 - J8-9 Walsall	Count point 74014/38071 - J10-10a Bloxwich	Count point 26026 - J10a-11 between M6 Toll and M54 junctions	Count point 73921 - J8 with M5	Count point 16025 - J6-7 Perry Barr	Count point 70230 - J6 (Spaghetti Junction)	Count point 36023 - J5 Castle Bromwich	Count point 38523 - J4A-5 approaching M6 Toll	AVERAGE
2000	137,471	118,582	93,867	40,736	118,558	118,558	116,603	130,143	116,640
2001	141,478	121,724	91,470	38,523	113,310	113,310	119,840	134,567	118,224
2002	144,413	115,924	98,366	39,274	122,053	122,053	118,297	123,227	119,568
2003	141,972	126,153	99,639	38,657	119,495	119,495	128,124	133,466	122,588
2004	147,886	115,318	88,358	44,681	124,099	124,097	104,129	108,466	117,187
2005	146,462	130,428	89,947	44,575	120,358	120,354	116,565	121,420	122,279
2006	147,312	124,875	72,822	45,673	121,490	121,490	118,218	123,143	115,003
2007	123,251	124,430	73,538	41,861	113,929	113,930	134,044	139,631	107,073
2008	121,124	111,881	87,253	20,592	112,298	112,300	121,287	126,338	106,753
2009	119,156	110,956	91,385	20,257	118,149	118,150	119,269	124,236	107,166
2010	132,416	118,357	91,113	22,510	126,932	126,930	125,022	130,233	113,962
2011	135,114	120,525	90,414	22,970	129,144	129,144	122,157	127,245	115,351
2012	143,894	119,526	86,658	46,203	127,888	127,888	132,956	138,496	116,693
% change 2006-2012	-2.3%	-4.3%	19.0%	1.2%	5.3%	5.3%	12.5%	12.5%	1.5%
Change 2006-2012	-3,418	-5,349	13,836	530	6,398	6,398	14,738	15,353	1,690