

Myth 2 Economic benefits?

The economic benefits of the road are almost entirely based on monetising small time savings on large numbers of car journeys. The draft Final Business Case suggests that the 'adjusted' Net Present Value of these benefits is £215M with a Benefit:Cost ratio of 3.88. There is a lot wrong with this calculation which has clearly been 'adjusted' in a number of dubious ways:

- It excludes the £52M cost of the Oxon Link Road which is assumed to have been built despite the council having no credible plans for funding this bit of the road. As the assessed benefits of the scheme almost entirely derived from diverting traffic onto the completed road it is impossible to meaningfully assess the benefits of only part of the scheme. Based on Shropshire Council's own figures, the BCR for the Oxon Link Road is likely to be below 1¹.
- It also excludes the costs to date (£39M, £32M if excluding Oxon Link Road) despite the [council specifically stating in July 2024](#) that "all scheme preparation costs from the point of Outline Business case onwards to the completion of construction will be captured as part of the BCR calculation".
- The costs exclude any allowance for the significant loss of natural capital (~£10-20M) and any financial allowance for the risk to the town's critical water supply.
- The benefits include an assessment of 'wider economic impacts' including allowance for £55M of 'agglomeration impacts'. These 'wider economic impacts' make up over 20% of the assessed benefits in the 'adjusted' BCR but a review by a very experienced transport expert, Prof John Whitelegg² found that "My comment based on 20 years of teaching and research in Economic Geography is that there is no evidence at all on agglomeration benefits in small urban areas like Shrewsbury. It's all about big cities."

When all of the dubious adjustments are removed, the BCR for the combined NWRR and Oxon Link Road is below 1 indicating that it is not good value for money and the government should not support this scheme.

In contrast, active travel schemes that promote walking and cycling [typically score between 5:1 and 13:1](#) – much better value.

In a recent letter to the Minister for Roads, the council leader Lezley Picton suggests that the government should "build on the £38 million we have already invested to develop the NWRR project, rather than to waste this money" but this is a classic example of the sunk cost fallacy. The decision on whether to spend more money on the project should be based on the future returns to society not on the fact that Shropshire Council has managed to fritter away such a vast sum of money to little avail. How can the £38M spent to date count as an 'investment'?

We also note the recent [IPPR report](#) that says:

"investment in new road building, over other forms of transport investment, does not deliver good value for money, help meet Labour's missions, deliver the emissions savings needed to reach net zero, or safeguard nature. Instead, this money should be redirected away from capital spending on new roads towards renewing our existing road network, public transport and active travel. These investments have the potential to unlock economic growth while supporting the health, opportunity, and safer streets missions, alongside decarbonisation targets."

¹ In November 2023 Shropshire Council provided a 'refresh' to the Oxon Link Road Business case to the Marches LEP who had agreed a grant of £4.2M towards the road but had become frustrated with delays to the project and the inaccuracies of Shropshire Council's timetable (the Oxon Link Road was originally due to be complete in Nov 2020 when the grant was awarded). In the Business Case 'refresh' Shropshire Council estimated the BCR of the scheme at 3.3 (down from an initial 4.37). However, this was based on a cost of £17.9M (up from an initial £12.93M). The business case refresh suggested that the costs would need to rise by £16.1M for the BCR to drop below 1. The latest cost for the Oxon Link Road is £52M, a rise of £34.1M. It therefore seems very clear that that the BCR for the Oxon Link Road will be below 1 and probably negative.

² John Whitelegg is visiting professor of sustainable transport at Liverpool John Moores University.

We provide a comprehensive rebuttal of Lezley Picton's recent, seriously misleading claims about the economic benefits of the NWRR here <https://www.bettershrewsburytransport.org/wp-content/uploads/2025/03/Open-Letter-to-Lilian-Greenwood-re-contoversial-Shrewsbury-NWRR.pdf>