Metric Signs Ahead – 2009 update

Since the publication of "Metric Signs Ahead" in 2006, a number of changes have occurred.

Deletion of the requirement to "fix a date" for metric road signage (paragraphs 4.39 and 4.40)

Earlier this year, the European Union amended Directive 181/80/EEC (the "Units of Measurement Directive") to delete the requirement that the UK and Ireland should "fix a date" for converting road signage to metric units. Although the Irish Republic had already completed its conversion programme, the UK's Department for Transport had not in fact complied with this requirement and had indicated that it had no plans to do so. The amendment therefore made little practical difference.

Needless to say, this change in EU law in no way detracts from the case for converting the UK's road signs.

The Department for Transport's cost estimates

In response to the publication of "Metric Signs Ahead", in February 2006 the Department for Transport published its own revised estimates of the cost of converting road signs. This can be found on the DfT website at **http://www.dft.gov.uk/pgr/roads/tss/general/estimatingcostconversion**. This gave "a broad indication of what it would cost to convert speed and distance measurements on traffic signs to metric units, if such a change were to be made." It was estimated that the cost of amending or replacing "around ½ million signs" would be in the range £680 – 760 million. This gives an average of approximately £1400 per sign.

In contrast, "Metric Signs Ahead" estimated (paragraphs 6.2 – 6.27) that the cost would be in the range £41 – 160 million, with a "most probable" figure of £80 million, some of which would be absorbed within annual revenue budgets. This gives an average cost of £160 per sign.

The reasons for this enormous discrepancy appear *inter alia* to be:

- **(a)** The DfT assumes all work is carried out in a single year, not phased over several years as part of natural replacement (as in Ireland).
- **(b)** It is assumed that **all** sign changes will incur costs of "traffic management" of £271 – 309 per sign (unlikely to be required in the great majority of cases).
- **(c)** It is assumed that, in order to accommodate the symbol "km", all "route confirmatory" (i.e. distance) signs will need to be replaced rather than amended (this is contrary to the Irish experience).
- **(d)** 25% has been added for "supervision, preparation and design", although this would be a simple repetitive operation probably using a "schedule of rates" type of contract.
- **(e)** 45% - 65% has then been added for "optimism bias" (in accordance with Treasury rules applicable to major construction projects – not to routine "schedule of rates" contracts – hence, it is inappropriate).

UKMA has subsequently obtained further information under the Freedom of Information Act which tends to confirm that UKMA's estimates are consistent with actual current costs. For example, in 2007/8 Portsmouth City Council installed 3128 new "20 mph" primary and repeater speed limit signs on new posts and new roundels at a total cost of £ 312 671.28 (including £ 30 668.03 design costs) – giving an average cost of £100 per sign.

It is obvious that the DfT's estimates are a gross exaggeration and clearly not credible.

Revised figures for total annual expenditure on roads and other transport

Table 3 on p. 37 of "Metric Signs Ahead" quoted DfT figures for 2002/3 (the latest year then available) showing that total central and local government expenditure on roads was more than £6 billion (annually recurrent). This figure was subsequently revised to £7 billion, and total government expenditure on all forms of transport in 2004/5 was £17 billion.

It is now possible to update these figures further, and the revised Table 3 appears overleaf.

This shows that total central and local government expenditure on roads rose to over £9 billion in 2006/7, and other transport expenditure to more than £12 billion – giving total expenditure on transport as nearly £22 billion. This is of course an annually recurrent figure.

The one-off cost of converting road signs – whether using UKMA's or the DfT's estimate - especially if spread over a number of years (as it could be), would thus be an insignificant proportion of the DfT's total budget.

Revised Table 3

Below is a Table which revises and updates Table 3 of "Metric Signs Ahead":

Total annual roads expenditure in Great Britain, 2003 - 2008							
				£million (outturn prices)			
			2003/4	2004/5	2005/6	2006/7	2007/8
Central government expenditure							
	Capital						
		Strategic roads	601	778	938	1375	1320
		Other roads and traffic	53	43	34	44	23
	Current/resource						
		Strategic roads	1493	1480	1578	1687	1704
		Other roads and traffic	160	123	158	184	176
Local government expenditure							
	Capital						
		Roads	2156	2396	2649	2693	n.a.
	Current/resource						
		Roads	2729	2867	3135	3185	n.a.
Total government expenditure on roads			**7192**	**7688**	**8492**	**9168**	n.a.
Other government transport expenditure			9491	9366	10 205	12 546	n.a.
Total government expenditure on transport			**16 683**	**17 054**	**18 697**	**21 714**	**21 476**
Source:	Extracted from Table 1.15 "Central and local government expenditure on transport, 2003/04 to 2007/08" in Transport Statistics Great Britain 2008 (Department for Transport, 2008)						

Note: The format of this revised table differs from that which appears in “Metric signs ahead”. This is because the statisticians have changed the definition of "capital" and reclassified large amounts of spending from capital to "revenue and resource". This does not affect the overall totals.