Government's transport plans – worth holding your breath for?

Rolling blockades supported fuel tax picketing

Rolling blockades in September in support of the fuel tax picketing clearly emphasised – if such emphasis was necessary – Britain's vital need of a viable and relatively free flowing highway network. On paper, Government had acknowledged in July that much had to be done to bring the nation's roads up to scratch with the announcement of its transport spending plans.

But, incidental direct action and rhetoric to one side, what are the real prospects for a reversal in deterioration of the national highways stock? Better than even, the pundits say, depending on the forthcoming General Election and no dramatic downturn in government revenues.

John Prescott's policy document, "Transport 2010 – The 10 Year Plan" promises to spend on roads just under a third of the total £180,000M allocated to transport in a bid to reduce congestion below current levels over the next 10 years. Half of the £59,000M roads budget has been set aside to clearing the UK's local road maintenance backlog by 2010, while the remainder will be spent on new roads and improving the existing road network.

"The Government's new transport policy is a very positive step in the right direction but the real test will be in the implementation process," said Quarry Products Association Economist Jerry McLaughlin. "Transferring the funds to the local authorities effectively and quickly in order to clear the maintenance back log will be one of the most difficult aspects for the Government to tackle."

British Road Federation Head of Policy Andrew Tesseyman agreed that the announcement represented good news for roads in the UK: "The main point is that the Government has recognised the crucial role of a modernised road network in creating a successful integrated transport strategy."

Exact details of the projects to be delivered under the 10 Year Plan will be dependent on the outcome of 21 multi modal transport studies which are currently under way throughout the UK. The financial aspects of the plan are expected to be further clarified in the Budget.

"The future of the plan in its current form is also dependent on Labour remaining in power for another term. We are looking forward to the manifestos of all the parties, bearing in mind the next General Election," says McLaughlin.

Some consultants and contractors have voiced concerns that the UK's construction industry does not have the capacity and resources available to meet the requirements of the plan but McLaughlin disagreed: "Demand in the quarrying industry is currently 30% lower than previously, giving ample capacity for a construction boom."

Construction Products Association Economics Director Allan Willen also agreed with McLaughlin and said: "Resources are unlikely to cause that much of a problem for any part of the construction industry because the time lag between the announcement and the actual capital investment will allow sufficient time for recruitment and training."

What does it mean?

The government says the main aims of the expenditure on roads will be:

- easing bottlenecks by strategic widening of over 570km of motorways and trunk roads
- improving safety and traffic flow at junctions through 80 major trunk road schemes
- reducing pollution and congestion in towns and villages by building 100 new bypasses and 130 other major local road improvement schemes
- completing the 40 road schemes in the Highways Agency Targeted Programme of Improvements
- surfacing of nearly 7000km of the trunk road network with lower noise materials
- eliminating the local road, bridges and lighting maintenance backlog
- creating HGV lanes on congested strategic routes to provide priority routes
- introducing electronic information systems on the trunk road network, giving drivers better information on traffic conditions
- reducing the number of people killed or seriously injured by 40%
- introducing more quickly cleaner vehicles to improve air quality and reduce CO^2 emissions

Trading places

Seven major players led the aggregate and asphalt industry as the new millennium dawned but the course of this year has seen the number reduced to just five.

Tarmac, Hanson, RMC, Tilcon, Aggregate Industries, Lafarge Redland and Pioneer dominated the market in 1999 with Foster Yeoman and Alexander Russell in the west country and Scotland, respectively, hard on their heels.

Tilcon's parent company Anglo American acquired Tarmac this spring, a sale which also saw the rebranding of Tilcon's products and operations under the famous Tarmac logo. At the same time Hanson was busy consuming Pioneer while RMC looked to strengthen its cement activities through the purchase of Rugby for almost £900M.

This year's high profile purchases are the first major changes in the asphalt and aggregates industry since the merger of Bardon and of Camas to form Aggregate Industries in 1997 and the acquisition of Redland by French aggregates giant Lafarge in the following year.

However, it reflects a pattern which has emerged in the industry over the last decade of quiet periods followed by spurts of activity when acquisitions and mergers have hit the headlines.