

## Analysis

# Review leaves roads out in the cold

Summer 2004 has gone and with it has departed for the roads sector, optimism as firm transport targets gave way to vagueness and uncertainty induced by Government's Comprehensive Spending Review in July. Now the sector's suppliers are focusing on what to do for the good of all, in the knowledge that public highway spending will not grow for the foreseeable future.

A notable announcement of the review was an increase in allocations for capital spending on transport. However, where this money will go was not detailed and local authorities' revenue spending on highway maintenance has been frozen for the next three years.

As highway funding is not ring fenced and some authorities have had to divert funds to support other cash strapped services, it is not understating the case to observe that the prospects for the roads sector do not look good.

The spending review was followed in the same month by the Department for Transport's White Paper – The Future of Transport. The latter was notable for its lack of commitment to road construction and improvement projects. Targets that had been included in the Government's Ten Year Transport Plan – to eliminate the road maintenance backlog and build roads as part of a strategy for reducing traffic congestion by 2011 – were absent from The Future of Transport.

The DfT claims its new White Paper is a review of the plan and not a revision. The Government's October 2003 Response to the Transport Committee's Report on Local

Roads & Pathways sticks to the intention of clearing the maintenance backlog and introducing Best Value Indicators. But at the sharp end, suppliers are not seeing the money needed to meet the aim.

Tonnage of asphalt supplied is a fair indication of road maintenance activity. The estimated 27Mt total current British market has not wavered in recent years by more than a few percent and significant growth is not forecast for next year. Highways Agency spending was expected to grow, but trunk road expansion and refurbishment plans are also failing to come through in the sizeable manner hoped for prior to 2004.

Total market size shows some work is under way though and it seems the road

surfacing industry and its clients are doing their best to find alternative ways of tackling funding problems. cursory glance at projects delivered in recent times reveals innovations in spades, in terms of methods and materials developed to give clients more maintenance per pound allowed.

Asphalt layers have become thinner and are lasting longer. Value is going up where suppliers are being given the chance to innovate.

"The surfacing industry is as innovative now as it has ever been, but it is a shame we are not getting more opportunity to put it into practice," says Aggregate Industries' Southern Regional Director Jim Crick, who is also the current Chairman of the Asphalt Industry Alliance. "Local authority roads in particular, considering they represent about 95% of the UK's total road network, are not being given the attention and funds they urgently need."

Results from the 2004 ALARM (Annual Local Authority Road Maintenance) survey were presented at the Asphalt Industry Alliance conference in September this year. Outcomes include a 50% rise in amounts paid to successful claimants of damages due to road defects. Inadequate spending on road repairs and the resulting claims payouts is further reducing local authorities' coffers and chances of clearing the maintenance backlog.

And so it will go on. Only where sufficient capital spending is invested by Government, or through projects like the soon to start road maintenance PFI in Portsmouth, will local authorities achieve central Government's aims.

## TEN YEAR PLAN KEY TARGETS 2001-2011

- £180,000M public and private funding
- Backlog in road maintenance eliminated
- 5% lower congestion
- 576km of road widening
- 80 major trunk road junction improvements
- 100 new bypasses

## FUTURE OF TRANSPORT PLEDGES 2004-?

- Investment plan extended to 2014/15
- £37,000M three year public spending
- Guideline budgets for English regions
- Transport Innovation Fund (from 2006)
- New road capacity where needed
- Road pricing studies and debate
- Government control of railways