

Notes of the meeting of the All Party Parliamentary Group for Highways, held in Dining Room B of the House of Commons on Tuesday, 10th July, 2018

Present

Sir Christopher Chope MP

Viscount Simon

Lord Brabazon of Tara

Sir Greg Knight MP

Daniel Zeichner MP

Jesse Norman MP (from 2pm)

Chairman

Vice Chairman

Treasurer

Secretary

Rick Green (AIA)

David Giles (AIA)

Malcom Simms (AIA)

Jonathan Pearson (IHE)

Steve Webb (IHE)

Mark Youngman (IHE)

Madeleine Hardman (James Reed PR/AIA)

Simon van der Byl (MPA, Secretary)

Introduction

The Chairman welcomed everyone and outlined the plan for the meeting, which was to hear and, where necessary, refine what the industry representatives wished to put to the Minister, Jesse Norman MP, when he joined the session at 2pm.

Discussion

Rick Green, Chairman of the Asphalt Industry Alliance (AIA), made the case from the AIA's perspective, based on the briefing note sent to the Minister in advance of the meeting (and attached to these notes). In summary:

- The focus was on underfunding of local roads, evidenced by the recent ALARM survey. This year the survey had responses from 61% of Local Authorities and, while there was acknowledgement that funding had increased in 2017, the state of the roads surveyed had still declined:
 - 20% were near "end of life"
 - An additional £556m per year was needed just to prevent the network from further declining; London's roads were worst of all!
 - £9.3Bn was required in order to get the network back into a good state
 - 24,000 miles of local roads require maintenance in the next 12 months
- Authorities have a statutory obligation to maintain their networks to a "reasonable" standard: the issue was what "reasonable" meant in some cases
- The view is that these roads are fundamentally unsafe and the key point is that everyone uses them to access the major roads and almost all other services
- Potholes are high on the public agenda and are a local political issue
- There is proven economic gain by having good roads and every pound spent on them gains £2.2 in economic value

Having outlined the issues, RG then proposed the solutions, which were:

- An equivalent of 3p per litre of fuel would provide the required £1.5Bn per year over the next ten years to get the network back into a decent state
- This was not meant to be an extra levy on drivers, but hypothecated from existing duties.

A lively and useful discussion followed, covering such things as the other obligations of local authorities (parking, road signs, 20mph limits, etc.), which encroached on their funding availability, the influence of the weather (the “beast from the east” being a case in point), other funding arrangements, such as the PFI scheme in the Isle of Wight, which seemed to be working brilliantly, the difficulty for Las to think long term and commit to long term funding needs, what would be the funding solution in the future if fuel sales decline owing to the increase in electric and hybrid vehicles.

The Chairman proposed that the line to take with the Minister was to ask him how seriously he took the ALARM survey and what he was doing by way of response. Industry representatives should also ask him what he expected from the industry in terms of helping the Department to solve the problem.

Jonathan Pearson, President of the IHE, made the case from the professional engineers’ standpoint, which was centred on the apparent failure of the Apprenticeship Levy to encourage apprenticeship schemes appropriate to the road building and maintenance industries. In essence, the main problem seems to be that roads are wrapped up under the general heading of construction, whereas it was a unique segment of this wider industry. No appropriate courses are available and, while the companies involved are paying into the Levy scheme, they are reaping no benefit. Unfortunately, uncertainty about medium- and long-term funding in the sector is having an effect on recruitment and this, in turn, is not encouraging potential apprentices into the industry.

The Chairman suggested that JP focused on the unique aspect of road engineering work with the Minister and that he should stress that the Levy could be used to revitalise an ageing workforce.

Meeting with the Minister, Jesse Norman MP

The Minister joined the meeting at 2pm, as planned. After brief introductions, the Minister outlined his key points:

- He was familiar with the ALARM survey and took its findings and conclusions seriously
- He was in late discussions with HM Treasury about funding and thought that maintenance funding should be settled separately
- He was of the opinion that LA roads could be put on a long-term basis: that costs should be looked at in total; and that there was a need to get the numbers up

Another good discussion followed, where RG centred on the points had had made earlier, stressing that proper maintenance was better than “make and mend” and emphasising that potholes were bad for cyclists such as the Minister! The Minister responded by asking what the industry could do and invited the AIA to write to him with all their key figures and particularly outlining what the productivity gains would be from better maintenance.

GK asked whether there would be any advantage in putting more of the LA network in the hands of Highways England and IB asked whether there was any merit in using the Isle of Wight model as a template for other LAs.

The Minister referred to the upcoming MRN but took the approach that LAs should lead on local priorities. He was not against the PFI model, but cited Sheffield as another example, where it didn't have quite the same enthusiastic support that the IoW had shown. His Department was doing a lot of work looking at ways of improving speed, quality and costs of maintenance. It, too, did its own surveys and he appreciated the ALARM survey, but noted that it was only one data point. However, he thought that the two surveys would benefit by sharing data, so that the ammunition he could take to Treasury could carry more evidential weight. He recommended a close dialogue between his officials and industry.

In terms of sector skills JP suggested that, if there was more money allocated to maintenance work - and, therefore, more work might be undertaken - it would expose the lack of skills and encourage more apprenticeships and associated courses. He emphasised that road engineering was not the same as run of the mill construction. The Minister asked whether BEIS was aware of the need to acknowledge that construction required more individual focus and added that, in his view, the country was only just learning about apprenticeships in some sectors.

The discussions ended with an exchange about potholes (and the need for a separate fund), RG emphasising that potholes were only the symptom: the main concern was the structural integrity of the network.

After the Minister had left, the Chairman proposed that the APPG should write to the Minister with all the key points made and any solutions suggested during the meeting, adding the Group's support for the lines taken by industry.

Simon van der Byl
11 July 2018