Invest to halt decline and kickstart economic growth

Overview by **David Giles**, Chair, Asphalt Industry Alliance

It was encouraging to hear the Chancellor recognise the importance of roads in the October Budget statement.

Her remark that 'potholes have been an all too visible reminder of our failure to invest as a nation' echoes our own calls for sustained, targeted investment and a longer-term funding horizon for local roads.

But is the new Government's manifesto promise to fix an additional one million potholes each year enough to have any real impact on the condition of our local road network? The findings of this year's ALARM survey report, suggest not.

This year marks the 30th anniversary of the ALARM survey, which was introduced to gather information on local road conditions and funding in England and Wales directly from those responsible for their maintenance. We are indebted to the local authorities' highway teams who take part and who, this year, led to a record response rate of almost 80%.

Tackle the backlog

Over the past three decades ALARM has reported a repeated pattern of short-term cash injections in an effort to stem the accelerating decline in road conditions, followed by longer periods of underfunding. And, the scale of the problem has reached new heights, with a reported £16.81 billion now needed to tackle the backlog of repairs.

Almost all local authorities have told us that, in their opinion, there has been no improvement to their network over the last year, with 65% stating that conditions have declined: a view no doubt shared by road users.

Over £20 billion has been spent on carriageway maintenance in England and Wales over the last decade but, due to the short-term allocation of this funding, there have been no significant improvements in structural road conditions.

It's well documented that any investment made in local roads provides an effective return on investment for tax payers. The DfT's own 2024 *economic appraisal for investing in local highways maintenance* sets out that 'for every additional £1 invested there is an absolute minimum return of £2.20, with analyses identifying typical returns of up to £9.10 at a national level.'

Why then are local authorities, which manage 97% of roads in England and Wales not provided with the five-year funding horizons that National Highways benefits from for the strategic network?

This year authorities actually reported a drop in their total highway maintenance budgets. However, they have spent a higher percentage on the carriageway itself in an effort to sustain increasingly necessary carriageway maintenance.

The result is that more than half of the network is reported to still have less than 15 years' structural life remaining – with 34,600 miles of these in poor condition – while 4,100 miles have also deteriorated into lower condition classifications.

In fact, some local authorities have told us that they need their budgets to more than double for the next five to 10 years if they are going to be able to make any lasting improvements to the condition and resilience of the network.

Increase in investment

So, what's the answer? There needs to be a complete change in mindset away from short-term to long-term funding commitments. Local authorities need a minimum five-year funding horizon and there needs to be a substantial, sustained increase in investment with budgets ring-fenced specifically for local roads maintenance.

Investing to save in local roads – which support communities and enable connectivity – will allow local authorities to plan and provide better value for money while helping kickstart the Government's stated economic growth plans.

David Giles