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The Correspondence and Enquiry Unit
HM Treasury
1 Horse Guards Road
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13 February 2015

Dear Sir/Madam,

Budget 2015 representation from CIHT

I am writing on behalf of the Chartered Institution of Highways & Transportation (CIHT) in advance of the 2015 Budget Statement to emphasise the need to continue to invest in transport infrastructure. CIHT is a membership organisation representing over 13,000 people who work in the highways and transportation sector. CIHT members plan, design, build, operate and maintain best-in-class transport systems and infrastructure, whilst respecting the imperatives of improving safety, ensuring economic competitiveness and minimising environmental impact.

Everyone depends on or uses the UK's transport network for access to work, schools, hospitals, shops, leisure activities, friends, families and many other facilities associated with living in a modern society. The improved performance of this network, including its reliability and resilience, is fundamental to the economic, social and environmental wellbeing of the UK.

CIHT has long called for a National Transport Strategy to provide clear direction and clarification for UK transport policy as we believe that this would create a more effective and co-ordinated use of funding allocated to transport infrastructure. This strategy would fit with any wider infrastructure plan.

We set out in the attached document our recommendations for consideration during the development of the 2015 Budget.

I would be pleased to discuss the issues in further detail.

Yours sincerely

A handwritten signature in black ink that reads 'Sue Percy'. Below the signature is a horizontal line.

Sue Percy, Chief Executive



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Longer term funding certainty will drive further efficiency savings for the highway and transportation industry

CIHT welcomes the funding certainty that is being put into the Strategic Road Network in England through the establishment of Highways England and the implementation of the Roads Investment Strategy (RIS). The same certainty should be considered for the other Strategic Road Networks across the United Kingdom (Scotland, Wales, and Northern Ireland) and would help further their ability to deliver efficiency savings.

The local road network makes up 98% of roads at an estimated value of £400bn¹ and is currently subject to the problems of annualised budgets. This was clearly expressed in the NAO report (2014)². The report - welcomed by CIHT – had one of the following recommendations:

“working with HM Treasury and the Department for Communities and Local Government to address the barriers to long-term planning for road maintenance, such as the lack of predictability of funding for local highway authorities and the split between revenue and capital funding”.

There are significant benefits to be gained from maintaining highway networks. The benefits of road maintenance, and importance of sufficiently funding these activities was articulated on a global level in the World Road Association report ‘The Importance of Road Maintenance (2014). This highlights the positive economic (and other benefits) of investing in maintenance.

CIHT welcomes the recent confirmation of a longer term period of capital funding for highways maintenance and the creation of an incentive element linked to the introduction of robust asset management and efficiency planning.

Recommendations

- Increase the certainty of funding for local highway networks to at least a five year period. This funding certainty needs to address the continued pressures on revenue funding facing local highway authorities as well as capital.
- Use the opportunity of the current devolution debate in England to consider the governance of the local road network particularly in combined authorities

¹ Action for roads: a network for the 21st century (2013)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212590/action-for-roads.pdf

² National Audit Office (2014), Maintaining Strategic Infrastructure: Roads, <http://www.nao.org.uk/wp-content/uploads/2015/06/Maintaining-Strategic-Infrastructure-Roads.pdf>

- Investigate how to deliver sufficient levels of funding to adequately maintain transport networks, particularly the local road network³
- Consider an 'Action for Roads' for the local road network that would consider how the funding level required for that network would most appropriately be delivered.
- Investigate the possibility of increasing the funding certainty for the strategic road network, rail network and local road network to a 10-year horizon.
- Consider an 'Action for Roads' approach for the Strategic Road Networks in Scotland, Wales and Northern Ireland with five year funding certainty as part of the transport measures for further devolution.

Resilience across all transport networks

CIHT responded to the Transport Resilience Review (2014)⁴ with a view that transport resilience assessments (by all transport asset owners: highways, rail, aviation) should be made a statutory requirement to identify the UK's vulnerable areas⁵.

CIHT also proposed that the UK Government should establish a central (capital) fund that authorities could bid for, based on the outcomes of their resilience assessments.

Clearly when networks are disrupted there is a significant economic cost; and that there is a benefit in spending money: analysis found the cost benefit ratio for winter maintenance was between 5 and 10⁶. CIHT believes that there is a significant economic advantage in investing to resilience proof transport networks to minimise any disruptions – due to weather circumstances or other issues.

It is worth noting that the situation with regards to revenue funding was highlighted as a weakness in resilience terms by the TRR (2014, page 82). CIHT believe that the UK Government should implement appropriate financial mechanisms to support further progress towards achieving a sustainable low carbon economy.

Recommendations

- Transport resilience assessments should be made a statutory requirement to identify the UK's vulnerable areas.
- Ensure sufficient 'revenue' funding, particularly for local highway authorities to ensure that activities such as maintaining drainage (funded from revenue budgets) can be sufficiently carried out.
- UK Government establishes a central (capital) fund that transport asset owners could qualify for based on the outcomes of their resilience assessments.

³ CIHT news item 'Drivers claims for damage caused by potholes exceed £3m over 2014 in Britain', 26 January, 2015, <http://www.ciht.org.uk/en/media-centre/news/index.cfm/drivers-claims-for-damage-caused-by-potholes-exceeded-%C2%A33m-over-2014-in-britain>

⁴ Department for Transport (2014), Transport Resilience Review: a review of the resilience of the transport network to extreme weather events', <https://www.gov.uk/government/publications/transport-resilience-review-recommendations>

⁵ CIHT response to Transport Resilience Review: <http://www.ciht.org.uk/en/document-summary/index.cfm/docid/FE7FEF4E-E237-45F7-8C526F39F890E407>

⁶ Winter Resilience Review (2010), <http://webarchive.nationalarchives.gov.uk/20111014014059/http://transportwinterresilience.independent.gov.uk/>

Recognise the wider benefits of investing in transport to improve peoples' health

Transport has a role to play tackling some of our big societal challenges including the rise in obesity (through active travel), the ageing population and social exclusion (through connecting people and places). Regular active travel has been shown to reduce mortality through improved physical fitness; policies that support this will reduce the financial pressures on the NHS⁷.

Recommendations

- Recognise the economic benefit of investing in active travel to save on longer term health (both physical and mental) costs
- CIHT call for an Active Travel Bill for the rest of the UK based around the approach taken by the Welsh Government.

Safety

The Department for Transport calculated the cost of reported road accidents at £14bn for 2013⁸. CIHT welcomes the inclusion of clear safety targets in the Performance Specification for Highways England to reduce the number of people killed and seriously injured on our Strategic Road Network. CIHT believes similar targets should be re-established for our entire highway network.

Recommendations

- CIHT encourages decision makers at a national and local level to embed the importance of road safety in their key policy documents and work with stakeholders to ensure continued delivery of casualty reduction.
- CIHT calls for the return of safety targets, robust monitoring, collation of an evidence base for road safety and proper dissemination of that evidence⁹.
- Building on the approach taken by the current Highways Agency, promote road safety skills and road safety audit as a technique that reduces risks of individual schemes and also allows highway authorities and designers to learn from past experiences.

Skills

Skills development is a key area of concern for the growth and progression of the highways and transportation industry. Industry trends show that with fewer graduates entering and an ageing current workforce, action must be taken to secure the pipeline of skilled engineers and transportation professionals for the future¹⁰. CIHT is engaging actively with the Department for Transport in exploring the key action points for taking this forward

⁷ HEAT model, www.heatwalkingcycling.org Also see www.cedar.iph.cam.ac.uk/research/modelling/ithim

⁸ Department for Transport, updated 25 September 2014, Accident and casualty costs (RAS60), <https://www.gov.uk/government/statistical-data-sets/ras60-average-value-of-preventing-road-accidents#history>

⁹ CIHT weekly e-newsletter 'Successful start for A9 average speed camera scheme' 28 January 2014 <http://www.ciht.org.uk/en/media-centre/news/index.cfm/a9-speed-cameras> provides details of the benefits of good monitoring.

¹⁰ Engineering UK (2014), Engineering UK 2014: The state of engineering, Engineering UK (2014), http://www.engineeringuk.com/research/Engineering_UK_Report_2014/

Recommendations

- Government must continue to support apprenticeship schemes as a way of attracting new entrants, providing training relevant to industry needs, and assisting the UK to compete successfully in global markets.
- CIHT recommends that all government contracts should have targets for apprenticeships (e.g. Crossrail is committed to delivering 400 apprentices) and continuing professional development be encouraged for all.
- Government acknowledges the role of professional bodies, such as CIHT, in creating the environment in which the issues around skills can be resolved.

Conclusion

The above recommendations are consistent with CIHT's "Making the journey – A Manifesto for Transport", a copy of which is attached with this submission.