

The Rt Hon Patrick McLoughlin MP  
Secretary of State for Transport  
Department for Transport  
Great Minster House  
33 Horseferry Road  
LONDON SW1P 4DR

2 November 2012

**Dear Secretary of State,**

**Local roads – new capital funding for maintenance**

We are writing to ask the Government to give priority and funding to maintaining and improving the current local road network rather than focus on large new road infrastructure projects. We are concerned that the importance of local roads – both in terms of congestion and their state of repair – is not being given appropriate attention and priority, and believe that tackling the maintenance backlog on these roads will help small businesses and lead to significant job creation in the short term.

The effect of new traffic being generated on main roads and spilling out onto local networks will add to congestion there, particularly affecting smaller businesses, and this may impede rather than help local economies.

Small and medium enterprises provide 59 per cent of the UK's private sector employment, and evidence from the FSB's membership shows that the majority of journeys made by these businesses are to destinations within 40 miles of their offices, workshops, warehouses, factories and shops. The Federation of Small Businesses' 'Voice of Small Business' survey in 2011 found three in five firms reporting that the state of repair of their local roads had impacted negatively on their business. This is in concert with public opinion more generally: recent polls have shown that the proportion of people who cite congestion as an urgent transport problem is only around half those who cite the condition of roads and pavements.[1]

We urge the Department for Transport and Treasury to look again at the priority given to local road maintenance by central and local government and to take action to increase this priority. Recent years have seen council budgets for these programmes cut severely, and a continued tightening of council spending power will ensure that conditions on local roads will only worsen unless additional measures are put in place.

In economic terms, a renewed focus on repair and maintenance of roads would be excellent value for money. Amongst the evidence for this, we note especially the results of funds committed to infrastructure spending by the 2010 American Recovery and Reinvestment Act (ARRA), from which a dollar spent on repair and maintenance was found to have created 70% more job hours than a dollar spent on new roads.[2]

With little risk of opposition and no lengthy planning or land acquisition processes to complete, maintenance projects would also start more quickly and exert their stimulus effects more rapidly than new road building.

There are many small and medium construction businesses in the UK that would benefit from new funds allocated to road repairs. Such spending would spread its economic value across a greater number of local economies than if it was concentrated on a few large projects.

In transport terms, there are additional opportunities, when improving local roads, to enhance conditions for those not in cars and vans and – by making other modes more attractive – to help reduce congestion for everyone. For example, repair work could be combined with improving bus and cycle lanes, cycle parking, pedestrian crossings and pavements, and with installing new bus stops with real-time information displays.

**A temporary 'Road Repair and Renewal' fund for local roads could help to address the deficit in local road maintenance and pay for some of these wider enhancements, with considerable gains for transport and the economy as a whole.**

Estimates put the total backlog of road maintenance work at £9 billion, with local authorities facing a combined annual shortfall of £783 million.[3] Supplementary funding to address this shortfall could be provided by Government immediately, without complex grant schemes or delays, through the normal Maintenance Block into Local Transport Plan budgets.

In summary, we believe that a programme of improvements to the local road network is currently a missed opportunity to enhance the economy more quickly, and in a more equitable way, than large road expansion projects, which may in fact prove detrimental to conditions on local roads.

We ask you urgently to consider the value for money and benefits for a wide cross section of businesses and road users of an immediate 'Road Repair and Renewal' fund for local road maintenance, and then to take similarly urgent action.

Yours sincerely,



**Stephen Joseph**  
Chief Executive,  
Campaign for Better Transport



**Professor Neil Hoose**  
Chairman for Infrastructure,  
Federation of Small Businesses



**Diana Montgomery**  
Chief Executive,  
Construction Products Association

cc

**The Rt Hon George Osborne MP, Chancellor of the Exchequer**  
**Norman Baker MP, Parliamentary Under-Secretary of State for Transport**  
**Stephen Hammond MP, Parliamentary Under-Secretary of State for Transport**

Notes:

1. Transport priorities poll question by Ipsos MORI, 17 March 2011
2. Transportation Funding and Job Creation. Smart Growth America, February 2011
3. Annual Local Authority Road Maintenance (ALARM) Survey (Asphalt Industry Alliance) 2011