

Industry offers finance solution to Government

Members of the Quarry Products Association NI involved in maintaining the provinces road network have made a unique offer to the Minister for Regional Development Connor Murphy at a meeting this week. The offer to assist the Minister and his officials in dealing with the lack of maintenance work coming from Roads Service is ultimately intended to protect the industries skilled workforce from undoubted unemployment within the next few weeks.

Speaking after the meeting with the Minister QPANI Regional Director, Gordon Best, said "It was workmanlike meeting and dealt with the urgent issues. We were not there to tell the Minister anything that he didn't already know. One just has to look at the 2007-2008 Roads Service report and this year's budget to realise Roads Service have no extra money and that our existing roads network is deteriorating at an ever increasing rate. The Minister was totally up front in stating the financial position that roads service finds itself in and that for the first year ever they not received in year extra allocations of any significant size".

The QPANI delegation highlighted the fact that in 2008 and prior to the December monitoring round our industry had laid off hundreds of employees. In terms of the roads maintenance and road building industry many members were holding onto skilled workers, foremen, machine operators etc. hoping that as in previous years the December monitoring round would deliver some badly needed funding. Mr Best commented "To be frank, when news of the December monitoring round was released our industry was holed below the water line. Roads maintenance received £2.5 million in December which is akin to filling a bucket of water, throwing it in a lake and looking for a rise in water level".

QPANI Members put the offer to the Minister that if he instructed his officials to urgently bring forward maintenance schemes planned for the next financial year that they would delay application for payment until the new financial year. Mr Best added, "here we have an industry and group of companies with their backs against the wall stepping up to the mark, not seeking bail outs or handouts but offering solutions and partnership with the Minister and his officials to ultimately protect skilled workers jobs and livelihoods. The Minister agreed to immediately discuss this offer with his Chief Executive and other senior board members and come back to us as soon as possible".

Mr Best highlighted "One possible obstacle may be Department of Finance funding regulations. However, as the Minister said *'we are all in uncharted water, the Executive needs to be flexible and come up with imaginative ways to protect peoples' jobs and livelihoods'*". We are meeting Nigel Dodds next week and will be raising this matter with him. At the end of the day if regulations and rules have to be bent or even broken to protect peoples' jobs and livelihoods then so be it".

Gordon Best
QPANI

OUR ROADS – AN ASSET WORTH INVESTING IN

THE FACTS

- In 2007 – 2008 the Structural Maintenance Budget was boosted by in year allocations to £77 million. Still £33 million of what all professional and Roads Service opinion say is required to maintain an asset worth £34 billion.
- 2008 – 2009 budget allocation stands at £56 million. Approximately £25 million of this is allocated to the Roads Service own direct workforce leaving £31 million for work carried out by the private sector. In deed current out turns on Asphalt Resurfacing Contracts and Small Scale Responsive contracts up to the end of September and volume of roads service work within company order books indicate that only 20% of the original budget for this year remains.
- In Northern Ireland we spend some 21% less per capita on our transport network than in GB. This is unacceptable given that we depend more on our network than any other region in the UK.
- The historic shortfall in maintenance spend on our roads now stands at over £500 million.
- 2007 – 2008 Roads Service annual report indicates that our roads network is deteriorating further,
 - 84% of the motorway network has a residual life of more than 5 years compared to 85.5% in 2006, 89% in 2005, 91% in 2004.
 - 70% of the trunk road network has a residual life of more than 5 years compared to 71.8% in 2006, 73.5% in 2005, 73%in 2004.

The Roads Service Chief Executive States

“The funding made available to us means that we can treat our local roads network at around 46% of that recommended in National Good Practice Guidelines”

- 43% of Northern Ireland’s trunk road network is ‘at or below’ satisfactory levels of skid resistance. Also 3.6% of the motorway network and nearly half of the Trunk road network is ‘at or below’ the national skidding resistance investigatory level. (statistics stated by Regional Development Minister in the Assembly in October 2007)
- The Industry and Regional Development Committee have made representations for increased priority to be given to roads maintenance and **NOTHING HAS CHANGED.**
- In February of this year the Assembly passed a motion to *“review roads maintenance funding and to ensure that sufficient funding will be made available in line with the Roads Service structural maintenance funding plan; and further calls for an urgent review of end of year management of funds to ensure that a more strategic approach is applied to the way in which maintenance schemes are undertaken immediately before the end of the financial year”.* **NOTHING HAS HAPPENED.**
- Once again the industry and Roads Service are depending on a significant extra allocation of funds from the Executive in the December monitoring round.

- The current funding process creates problems for both the industry and Roads Service in terms of planning and investment and does not deliver a 21st century roads network for a 21st century economy.
- In terms of capital works we need a speedy rolling out of projects to cushion the extreme downturn the industry now faces. The industry requires accurate information on actual construction spend.
- Extra funding that becomes available both locally and nationally must be allocated through the revenue spend in order that maximum benefit can be realised in the wider economy.

THE EFFECTS

- If we are not maintaining that asset we are devaluing it, Government is attempting to maintain this asset for less than a one fifth of one percent of its overall value.
- Companies involved in road construction and resurfacing are having to lay off skilled valuable employees and those that are left face the possibility of short term working. The quarry products industry has lost over 800 jobs in so far in 2008 and is projected to lose 1500 by the end of the year if current economic conditions continue.
- Current investment in maintaining our existing roads network will mean we will not be able to grow a vibrant and sustainable economy in Northern Ireland.
- The first thing potential inward investors will look at is the infrastructure around the ports and airports, in order for Northern Ireland to be economically viable we need greater investment in our infrastructure and roads maintenance

COMMENT

The current and historic level and practice of funding the maintenance of our largest and most valuable asset MUST CHANGE NOW!