



**THE QUARRY PRODUCTS ASSOCIATION
NORTHERN IRELAND REGION**

**RESPONSE TO THE CONSULTATION
PAPER ON SUB REGIONAL TRANSPORT
PLAN**

June 2006

INDEX

<u>Contents</u>	<u>page</u>
Executive Summary	3
Introduction	4
Background	4
Comments on Consultation Paper	5
Other effects of reduced investment in maintenance of the roads network	8
Conclusions	9
Circulation list	10

EXECUTIVE SUMMARY

This submission represents the views of the members of the Quarry Products Association NI towards the Governments Consultation Paper on the Draft Sub Regional Transport Plan.

The Associations major concern with the proposals contained within the Draft Consultation paper is that the document sets out expenditure plans that are aspirational and not based on secured funding allocations. Over the past few years we have seen the Regional Development Strategy, the Reinvestment and Reconstruction Initiative and the Regional Transportation Strategy all of which were launched and greeted with great fanfare and optimism by various Ministers and others. Unfortunately spending outlined in the above initiatives has fallen way short of what was envisaged. This has resulted in many companies finding themselves in a situation where having been given an undertaking of future spending allocations major investments in people, plant and materials took place only to find that due to Government fiscal changes spending did not materialise to the levels expected. This has left many companies in a situation where they are not able to achieve an acceptable return on their investment and in some cases made workers redundant.

The Association while welcoming the Draft Regional Transport Plan and the high levels of investment indicated for sub regional transport network is sceptical that these levels of spending will be realised. It is our view that the roads network in Northern Ireland, an asset worth some £20 billion, needs to be given a higher priority by Government.

The recommended annual spend of £78 million, stated within the RTS, would now amount to approximately £90million. This figure is supported by the Northern Ireland Audit Office, the DRD and the Institute of Civil Engineers. In Northern Ireland going forward we need to have a five year rolling structural maintenance programme that will enable the industry to forward plan and invest strategically and ensure that our roads network is maintained to recognised best practice guidelines.

Introduction

1. The Quarry Products Association Northern Ireland welcomes the opportunity to comment on the Draft Sub Regional Transport Plan Consultation Paper.
2. Founded in Northern Ireland in 1998 the Association now represents 95% of aggregate production in the Province. Our membership includes major, medium and smaller sized companies. The Association represents companies engaged in the supply of primary aggregates; the processing of recycled and secondary materials; the production of down stream processed products such as asphalt, lime, mortar, ready-mixed and precast concrete and road surfacing contracting.
3. The Quarry Products sector is a key essential industry that contributes significantly to the quality of life of every man woman and child in Northern Ireland.
4. The Industry employees approximately 5,600 people, mainly in rural areas across Northern Ireland and thus plays a vital role in sustaining rural communities.

Background

The Government Departments in Northern Ireland are the main procurer of quarry products. Therefore any change in procurement policy has a significant impact on the industry.

Over the past number of years the industry has worked in close partnership with Roads Service to deliver increased maintenance and best value for money, as required by the Regional Transportation Strategy, in order to achieve a better quality and safer transport system in Northern Ireland.

In July 2002 Peter Robinson MP, MLA, as Minister for Regional Development, stated in the RTS that one of the RTS principal initiatives was the ***“elimination of 75% of the road maintenance backlog – with two thirds of this expenditure in rural areas”***. ***The programme for Government also stated that “the movement of people and goods is equally important and we recognise the economic consequences of increased road congestion and long term under investment in public transport. We want to develop an effective safe and reliable road network and a quality public transport system that can benefit society, can provide real transportation choice for those living in both rural and urban communities and help grow our economy in a sustainable way”***.

In 2002 the RTS stated that £780 million of investment was required in road maintenance over the next ten years until 2012. On July 5th 2003 David Orr, Director of Roads Service Network Services, called a meeting at the Construction Employers Federation of QPANI members involved in the Road Building in the Province. The purpose of the meeting was to assure DRD that the industry had the capacity to deliver on the demands that this increased investment would create.

2002 – 2003£65 million
2003 – 2004£83 million

2004 – 2005£74million
 2005 – 2006£67 million

Figures given to our Association show that the structural maintenance budget for **2006 – 2007 is estimated at £ 43MILLION and 2007 – 2008 £55,300 million.**

These figures fall way short of that outlined within the plan.

COMMENTS ON CONSULTATION PAPER

The Association very much welcomes the statement on page 13 that the “**SRTP proposes expenditure totalling £922.7 million on structural roads maintenance in OUA and Rural Areas**”. This amounts to £92 million pounds per year which is in line with what all expert observers say is required. However if we take the recent indicative budgets and statements from DRD Roads Service showing that structural maintenance allocation for the year 07/08 will amount to £55.7 million per year. The table below also shows the shortfall experienced in the past number of years

Category	97/98 out- turn	03/04 out-turn	04/05 out-turn	05/06 Current Budget ¹	06/07 Draft Budget ²	07/08 Draft Budget ³
Resurf. - Motorways	1,417	1,967	1,227	0	0	0
Resurf. - Trunks	3,399	11,082	7,119	6,510	4,000	7,000
O'taking Opps		3,727				
Resurf. - Others	14,370	29,616	28,730	25,683	6,198	15,508
Resurf. - Sub-total	19,186	46,392	37,076	32,193	10,198	22,508
Surface Dressing	6,832	8,669	8,345	8,457	8,500	8,500
C'way Patching	10,172	14,894	15,641	15,538	15,500	15,500
F'way Resurfacing	3,357	3,571	3,757	4,166	2,195	2,195
F'way Patching	2,796	2,786	3,007	3,340	3,000	3,000
Structural Drainage	3,829	6,550	6,010	5,711	4,000	4,000
Structural Maint. Total	46,172	82,862	73,836	69,405	43,393	55,703
Highway Structures	1,990	3,486	2,598	2,778	2,500	2,500
Routine Maintenance	9,606	12,956	13,999	13,516	13,450	13,700
Traffic Maintenance	5,742	9,126	8,323	8,870	8,600	9,000
Winter Service	3,720	4,684	4,947	4,844	4,850	4,850
Street Lighting	9,881	12,394	12,729	13,910	13,700	14,350
Car Parking	3,986	4,566	4,821	4,754	4,900	4,950
Total O&M	81,097	130,074	121,253	118,077	91,393	105,053

Structural Maintenance Private Sector share £k

Private sector share (non - PPP)	30,000	61,000	52,000	46,300	23,500	35,500
Private sector (PPP)	-	-	-	-	1,500	4,500

Total Private sector (est)	30,000	61,000	52,000	46,300	25,000	40,000
----------------------------	--------	--------	--------	--------	--------	--------

Notes

1. 2005/06 Figures include additional resources as a result of the October/December/February monitoring rounds.
2. Planned value of structural maintenance investment in 06/07 excludes the value for PPP/DBFO Package 1. If PPP/DBFO was included this would bring the total SM value to around £45m.
3. Planned value of structural maintenance investment in 07/08 excludes the value for PPP/DBFO Package 1&2. If PPP/DBFO 1&2 were included this would bring the total SM value to around £60m.

The figures above also show that the Private Sector is experiencing the full impact of the allocation reductions.

How can it be acceptable that the public sector, that in our view does not deliver the same value for money as the private sector, can maintain similar overheads in the light of these reductions? It is QPANI opinion that delivery of front line services is the priority and that levels of administration and bureaucracy should be reduced.

The Plan in our view is purely aspirational and in effect a wish list that more than likely will not be delivered a previous experience has taught us. Indeed on page 1 of the executive summary it states

“ It is important to note that the implementation of the measures proposed in the SRTP will be subject to the availability of public money through the normal budgetary processes”

We are also deeply concerned at the extremely high level of network management costs it is proposed to manage the roads network. The figure of £341 million is a fixed overhead cost and the industry would be concerned that this figure will not be reduced if the aspirational spend of some £1327.9 million is not realised. It is essential that funding is directed at front line services, i.e. the maintenance of the roads network.

On page 42, figure 4.1 clearly illustrates the importance of the rural roads network to Northern Ireland. The fact that rural roads represent 75.4% of the total roads network and carries 44.7 of traffic reflects the importance of the SRTN to the Northern Ireland economy. The statement in 4.3.4 *“in much of Northern Ireland, especially in the North and West, the majority of people do not live within easy reach of an existing bus service”* reinforces this. One is compelled to ask the question

“Why in the public service agree as set out in the NI Budget December 2005 is the objective for *“other” roads to receive resurfacing treatment of 10% of that recommended in National Best practice guidelines* ”

Northern Ireland depends more on its roads network than any other part of the UK with 100% of freight being moved by road compared to 64% in GB. Many businesses, particularly in rural areas and areas designated by Government as Targeting Social Need depend on a quality roads network to ship their products to the ports and airports.

On page 46 section 4.4.5 it states

“A number of the highway problems are related to the inadequate maintenance of rural roads. Problems are stated in terms of uneven road surfaces and hence slow journey times, but also in terms of occasional localised flooding”

This is clearly an admission of failure to deliver effective maintenance spending allocations over the past number of years. It illustrates clearly the need to have a five year rolling structural maintenance programme that will enable the industry to forward plan and invest strategically and ensure that our roads network is maintained to recognised best practice guidelines.

On page 63 section 6.3.4 it states *“ The RDS Strategic Planning Guideline for rural Northern Ireland states (that the Department will) continue to invest in maintaining and upgrading the rural road network and particularly local rural roads feeding the Regional Strategic Transport Network”*

In 2002 the RTS identified an shortfall of £140 million in structural maintenance funding in Northern Ireland over the past number of years. Since 2002 that shortfall has increased as allocations have not reached the levels required. Indeed as present indicative budgets indicate that shortfall will have increased to almost £300 million by 2009. The year the Councils become responsible for the rural roads network.

Given the levels of past and current investment in rural roads structural maintenance one would take this statement with the contempt it deserves!

On page 68 section 7.6.2 states *“ structural maintenance involves the upkeep of the surfaces and foundations of the road and footway network. As well as strengthening the foundations of roads to withstand the damage inflicted by heavy vehicles, structural maintenance also provides skidding resistance and makes an important contribution to road safety”*

This paragraph states exactly why it is vitally important to carry out structural maintenance when it is required. If not then we are into a situation of road reconstruction resulting in much greater cost to DRD and ultimately the tax payer.

As stated earlier the spending envisaged within the RTS is simply not happening. In paragraph 7.6.2 it states *“ the SRTP proposes expenditure totalling £922.7 million on structural maintenance in OUA and Rural Areas”* it goes on to say *“ It is estimated that approximately £740 million at 2005 prices, or over 80% of this sum, is needed for structural maintenance on the rural road network. Subsequent assessments of the structural condition of these roads (OUA and Rural) demonstrate that it may be necessary to boost the funding for structural maintenance on the SRTP above the investment levels indicated in the RTS in order to maintain the network to an acceptable condition.*

It is the QPANI view that Government act on these recommendations as a matter of urgency!

On page 78 section 10.2.11 it states “ Highway maintenance is and will continue to be carried out in accordance with standards across the SRTP area”

This statement beggars belief! In the NI Budget (December 2005) one of the Departments key performance target is

1. Maintain the road network to the following defined levels of structural condition:

- “other” roads to receive resurfacing treatment of 10% of that recommended in National Best practice guidelines

In reality the condition of 90% of our rural roads network will be below recognised best practice standards.

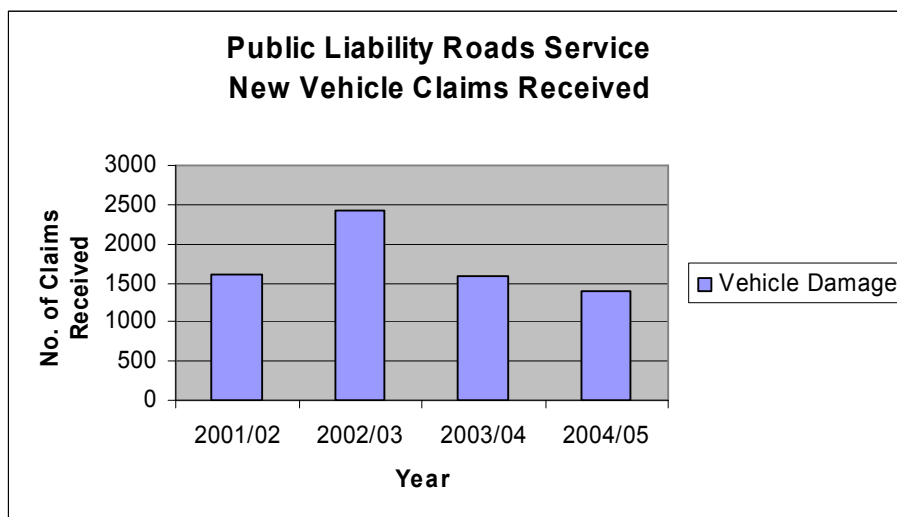
OTHER EFFECTS OF REDUCED INVESTMENT IN MAINTENANCE OF THE ROADS NETWORK

Employment

As a result of the reduced levels of structural maintenance allocations companies involved in the production of bituminous materials and road resurfacing are now reviewing their employee levels.

Insurance Claims

Figures released by the Central Claims Unit show a reduction in the level of insurance claims received by the Department over the past three to four years when Maintenance spend was close to levels recommended by the Regional Transportation Strategy. The figures below show that this partnership is working



The reduction in maintenance budgets will reverse this downward trend leading to more claims against the Department as roads are not maintained to the required standard.

Inward Investment in Northern Ireland

Any overseas companies thinking of inward investment in Ireland will undoubtedly be looking for a world class roads network whereby they can move products quickly from factories to ports or airports. Looking at the investment in the roads network in the Irish Republic they could be excused for deciding on investing south of the border.

CONCLUSION

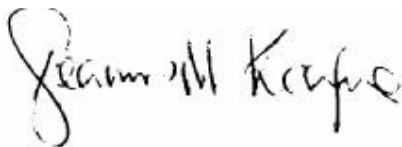
It is the QPANI view that this Sub Regional Transport Plan, in relation to highway maintenance, is simply a wish list and full of contradictions.

The reality is that in Northern Ireland we have a roads network that is valued at some £20 billion, by far our biggest asset. If we are not maintaining it we are devaluing it.

We depend more on our roads network than in any other region of the UK. The investment figures that are required are clearly indicated within the plan therefore Government, particularly those officials in Treasury need to listen and realise that by cutting back on structural maintenance in the short term, longer term costs will be realised as maintenance turns into reconstruction.

QPANI would strongly recommend that Government introduces a five year rolling budget for structural maintenance in Northern Ireland at levels stated within the RTS, at present day prices, and highlighted within this plan. Only then will the roads network, on which we all rely on so much, be maintained to acceptable levels that will deliver best value for money for the rate payer.

Signed

A handwritten signature in black ink, appearing to read "Seamus M. Keefe". The signature is written in a cursive, somewhat stylized font.

Chairman, Quarry Products Association NI

Date 15th June 2006

Response Circulation List

Alliance Party
Alliance Party Councillors Association
Association of Consulting Engineers
Association of Northern Ireland Colleges
Belfast City Airport
Belfast Harbour Commissioners
Belfast International Airport
Business in the Community
Chairman of the Main Contractors College of CIG
Chairman of the Professional College of CIG
Chairman of the Specialist Contractors College of CIG
Chief Executive Environment and Heritage Service
Chief Executive of Councils
Chief Executive of Planning Service
Chief Executive Roads Service
Concrete Society
Confederation of British Industry
Construction Employers Federation
Democratic Unionist Party
Department of Employment and Learning, Skills and Industry Division
Department of Enterprise Trade and Investment - Minerals Division
Director of Construction Procurement Directorate
Director of Environmental Policy Division
Director of Sustainable Living Department
DUP Councillors Association
Economic Research Unit of Northern Ireland
Federation of Small Businesses
Freight Transport Association
Geological Survey for Northern Ireland
Head of Industrial Pollution Inspectorate
Head of Water Management
Health and Safety Executive
Institute of Civil Engineers
Institute of Asphalt Technology
Institute of Directors
Institute of Highways and Transportation
Institute of Quarrying
Invest NI
Minister for Finance and Personnel
Minister for Regional Development
North South Ministerial Council
Northern Ireland Affairs Committee
Northern Ireland Chamber of Commerce
Northern Ireland Local Government Association
Northern Ireland Manufacturers Group
Northern Ireland Tourist Board
Office of the First and Deputy First Minister
Office of the Northern Ireland Executive in Brussels
Port of Larne Authority
Roads Safety Council
ROSPA
SDLP

SDLP Councillors Association
Sinn Fein
Sinn Fein Councillors Association
Strategic Investment Board
Ulster Farmers Union
Ulster Unionist Party
UUP Councillors Association