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30th March 2010

Mike Linley
Chairman
Asphalt Industry Alliance (AIA)
C/o Asphalt Press Office
HMPR Limited
Buckingham Court
Buckingham Gate
London SW1E 6PE

Dear Mr Linley,

Open letter - 2010 ALARM Survey

I wanted to write to you in regard to your latest Annual Local Authority Road Maintenance (ALARM) survey, to respond formally and openly to this years report.

As you may have seen from our response statement, NJUG supports the survey's call for Government action to address the increased number of potholes that have occurred as a result of severe weather conditions in the UK. At this challenging economic time local authority budgets are under increasing pressure, and they are struggling to deal with the expansive pothole situation which has occurred largely as a result of severe winters and the freeze-thaw effect on already poorly maintained roads. However, NJUG would strongly contest any justification that a 'pothole tax' should be levied upon utilities as they are not responsible for the weather.

You will be aware that following street works, utilities and their contractors have to by statute reinstate the road network in line with the national Specification for the Reinstatement of Openings in Highways (SROH), a statutory code of practice under the New Roads and Street Works Act 1991. The Government recently consulted on a revised edition of the Code, which included reviewing the subject of the Guarantee Period of reinstatements. This issue was analysed at great length by the Department for Transport and HAUC(UK) working group, which included representatives from both local authorities and utilities as well as Government. The conclusions drawn from the group's work and analysis of the subject was that no robust evidence exists to prove the argument that utility or highway authority works are responsible for long term damage. Following the group's analysis, a full public consultation was held on the proposed SROH, inviting specific commentary and evidence to otherwise support an extension of the Guarantee Period. No significant new evidence was received. However, I understand that the updated Code does look to strengthen the requirements for the quality of reinstatements and is expected to be launched in April 2010 by the Department of Transport. It should also be noted that utilities fund highway authorities to inspect 30% of their works up to two years after they have been completed and if any are found to be defective, they are repaired at their own cost.

Unfortunately, publicising this degree of detailed work undertaken by HAUC(UK) and the Department for Transport does not offer an attractive media story. Nonetheless, given the time and effort the technical experts on the working group have put in to analysing the issue, NJUG cannot support any call for what is effectively an unjustified tax on utilities and therefore their customers as it is merely moving responsibilities for collection, whilst the payer remains the same.

I do appreciate that the findings of your survey are the opinions of local authorities and not the AIA itself. However, given that the local authority representatives on the DfT working party and at HAUC(UK) itself endorsed the work of the group (which includes local authority reinstatement experts supplied by the UK Joint Authorities Group) and the content of the revised SROH, NJUG cannot believe

the accuracy of the findings. An alternative explanation could be that the individual respondents at the local authorities themselves are unfortunately not acquainted with the necessary detailed facts around utility and highway authority reinstatements.

I would like to stress however that utilities do recognise their responsibility to carry out high quality works and NJUG has therefore commissioned a workshop in April 2010 to review and understand best practices across the UK and share these practices with all utilities and their contractors. However, to really address the problem, NJUG firmly believes that national and local governments should work with the utility industry on researching new technologies, techniques and materials that may prevent potholes from occurring in the first place. After all, half of all excavation road works are undertaken by local authorities, whose reinstatement works are undertaken by the same contractors that are working for the utilities – a fact which again is often missed by the media. As a result NJUG does not believe the quality of reinstatement to be any different between utility and highway authority works. They should both be of an equally high standard. If they are not, and potholes emerge as a result, balanced and equal action should be taken on both since they make up a 50/50 split of all works in the carriageway.

Finally, I would like to emphasise how disappointed I am that the AIA and NJUG have not been more successful in working effectively together. As you will recall, following both the 2008 and 2009 ALARM surveys, NJUG requested to meet with your organisation and on both occasions you (or your predecessor Jim Crick in 2008) demonstrated a willingness to work constructively with NJUG going forward. Indeed one of the key outcomes from the 2009 meeting was that you would allow us to work with you on the utility-related questions to ensure they are balanced and fair. In addition, allowing us an opportunity to offer our thoughts would I believe help you achieve sign on and increase the validity of your survey. Unfortunately, despite repeated requests since last years meeting, we regret that our offers to assist you and work constructively together have not been taken up.

I would support any call from the AIA on Government to reallocate some of the £2.2 billion cumulo rates that are paid annually by the utilities, in return for keeping their assets in the road, into highway maintenance. In addition, Government could be asked to use road fund licence fees to assist highway maintenance. These two initiatives alone would go a long way to helping highway authorities keep their very heavily trafficked roads in a better state of repair.

I hope going forward we can work better together. Indeed depending upon the outcomes of our utility workshop next month, we hope to invite input from the wider stakeholder community on any recommendations for action which we make. I would be very interested to acquire the input from the AIA on this matter at the appropriate time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Les Guest', is placed over a light green rectangular background.

Les Guest
CEO
National Joint Utilities Group Ltd

- Cc Sadiq Khan MP, Minister for Transport
- Cc Theresa Villiers MP, Shadow Secretary of State for Transport
- Cc Patricia Hayes, Department for Transport
- Cc Spencer Palmer, Department for Transport
- Cc Mark Ostheimer and Jerry McConkey, Joint Chairs, UK Highway Authorities and Utilities Committee
- Cc Roger Culpin, Chairman, Joint Authorities Group
- Cc John Ingham, Transport Editor, The Express
- Cc Janet Wood, Editor, Utility Week
- Cc Adrian Tatum, Editor, Surveyor
- Cc Andrew Forster, Editor, Local Transport Today
- Cc Grant Prior, Editor, Highways Magazine

ⁱ HAUC(UK) – the UK Highway Authorities and Utilities Committee, <http://www.hauc-uk.org.uk/>