

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

PRE-BUDGET/FINANCIAL SCRUTINY ON ROADS MAINTENANCE IN SCOTLAND

SUBMISSION FROM THE ROAD HAULAGE ASSOCIATION

Summary of the consultation

The Committee requests views on the efficacy of the current approach to roads maintenance in Scotland and the adequacy of current associated expenditure levels.

Background about the RHA

The Road Haulage Association is the trade body dedicated to commercial operators with responsibility for the movement of goods by road. Members range from owner operators to those with fleets in excess of 1,000 vehicles. The Association has over 7,000 operators in membership who between them account for 250,000 UK registered heavy goods vehicles.

1. The UK road haulage and logistics industry employs 2.54 million people making it the fifth largest sector; 85% of UK operators are SMEs. The industry employs 600,000 HGV drivers, 60,000 of whom come from other EU member states.
2. There are 524,500 registered commercial vehicles over 3.5 tonnes registered in the UK.
3. Most businesses in our sector work to profit margins of around 2 – 3%.
4. Over 90% of all goods consumed have spent at least part of their journey on the back of a truck.
5. The UK Logistics industry is worth £124 billion and road haulage is the vital to both ends of the supply chain, exports (e.g. Whisky exports worth £4.5 billion) and imports (e.g. Fresh fruit and Veg worth £6.2 billion*).

*

<https://www.arup.com/perspectives/publications/research/section/understanding-uk-grocery-supply-chain-resilience>

RHA's Response

The Roads we use

The simple answer to this is that hauliers use all categories of roads from the busiest city centres to the servicing the most remote rural communities. The only roads that cannot be used are those subject to weight restrictions. The Scottish Government has spent large sums of money encouraging and supporting production in sectors such as the timber and aquaculture sectors and yet the roads they have to use to get to market are often sub-standard or in disrepair. If business is the life blood of the

Scottish economy then the road network, and all categories of road within that network, are the arteries, veins and capillaries that move the blood. Any fracture, blockage or maintenance issue will undoubtedly have an effect on the supply chain and the movement of goods.

Challenges we face

Although challenges faced on the trunk road network are widely known and acknowledged, the worst issues the industry face tend to be “the last mile”. This is mainly in leaving the trunk roads and onto local authority roads. This can be delivering to distribution centres, ports, railheads, even airports in more rural settings. The reductions in investment on roads and repairs undoubtedly has an effect on trunk road standards but the reduction in budget is most keenly felt on minor roads, most of which are key to our major exports (as previously mentioned, aquaculture, timber, whisky etc).

A recent FOI request from the Federation of Small Businesses (covered in The Telegraph) showed that in England complaints in 2018/19 about 700,000 potholes increased by 13% over the year before, almost £2 million was paid out in compensation from 7706 successful claims. While road repairs and potholes are inevitable, they bring additional, unwelcome costs to those moving goods.

As Brexit looms over the horizon we know we are faced with delays for any products that use the short straits. These delays will undoubtedly lead to fractures in the supply chain, some of which will be out of the control of the Scottish Government. With this in mind, it is absolutely imperative that the parts of the journey we have control of, run smoothly. Many of our exports use rural minor roads before accessing the trunk road network, and the maintenance and upkeep of those roads are vital in getting goods to market. Many of these roads are old and have only had “sticking plaster” treatments over the years. In a lot of cases the roads were not designed to take the weight and volume of traffic now using them.

Context

I have often heard it said that HGV's cause disproportionate damage to roads for what they pay to use the roads. While to a certain extent it is true that the heavier the vehicle the more it is likely to cause damage, HGV's are designed to spread the payload across the axles, which is not the case for other vehicle types and movements. Most 44 tonne payloads are spread across 6 axles with only the drive axle being without air suspension (max weight of 11.5 tonnes). In addition to the £1200 per year road tax each vehicle pays, the duty placed on fuel in the UK means that road hauliers are paying more than their share in tax. How much revenue does the government make from fuel taxes?

Annual road fuel usage in the UK amounts to 45.8 billion litres (16.1bn petrol + 29.7bn diesel) according to the recently released 2018 Statistical Review by UKPIA.

The Chancellor's Autumn Budget estimates 2017/18 fuel duty income to be £27.9bn increasing to £28bn for 2018/19 and then a jump to £28.6bn in 2019/20. VAT from road fuels accounts for approximately £8.4bn. Although (at the time of writing) there is talk of the PM reducing the duty on fuel post Brexit, that is still only talk at this

stage. Hauliers not only paying heavily into government coffers, but they are doing so through lines of credit of less than 7 days.

Final Comments

Modal shift is a phrase that is regularly mentioned when looking at road repairs. There will no doubt be journeys that could be consolidated and moved by other modes but each and every load will need to spend part of the journey on the back of a truck. Whether that is taking timber to a railhead, moving food to a distribution centre or aquaculture to a port. That is before there is any discussion about market forces and cost.

What we need is a fully integrated transport network, where sensible transport decisions can be made, where public transport becomes a viable and reliable alternative to cars and where fiscal cost and carbon cost can be readily evaluated. Until such a utopia exists, there is a reliance on road and road freight movements. This requires ongoing capital investment or rural areas will fall behind and become less attractive to investment. Rural communities will become more isolated and wither on the vine. As stated earlier in this report, if business is the life blood of the Scottish economy then the road network, and all categories of road within that network, are the arteries, veins and capillaries that move the blood. They must be looked after.

The RHA welcomes the chance to feedback to the Committee and offers to help the Committee in any way moving forward.