

Public Accounts Committee

Oral evidence: Local roads in England, HC 349

Thursday 21 November 2024

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Members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Peter Fortune; Rachel Gilmour; Lloyd Hatton; Chris Kane; James Murray; Rebecca Paul; Michael Payne.

Transport Committee member present: Ruth Cadbury (Chair).

Gareth Davies, Comptroller and Auditor General, Head of the National Audit Office, Jonny Mood, Director, National Audit Office, and Marius Gallaher, Alternate Treasury Officer of Accounts, were in attendance.

Questions 1 - 94

Witnesses

I: Dame Bernadette Kelly DCB, Permanent Secretary, Department for Transport; Dave Buttery, Director for Road Strategy, Department for Transport; Rupert Furness, Deputy Director, Local Highways and Active Travel, Department for Transport.

Report by the Comptroller and Auditor General

The condition and maintenance of local roads in England (HC 117)

Examination of Witnesses

Witnesses: Dame Bernadette Kelly, Dave Buttery and Rupert Furness.

Chair: Welcome to the Public Accounts Committee on Thursday 21 November for our session on local roads in England. Today we have as our witnesses Dave Buttery, Dame Bernadette, the permanent secretary—a very warm welcome to her—and Rupert Furness. Dave Buttery is the director for road strategy. Rupert Furness is the deputy director, local highways and active travel. A special warm welcome to Dave and Rupert because this is your first appearance, so it will be interesting for you, I am sure, to see how we operate. We expect short, direct answers, so that would be really helpful.

Also today we are in for a special treat, because we have our ex officio member, the Exchequer Secretary to the Treasury, James Murray, who has just explained to us that his brief in the Treasury is everything to do with tax and the HMRC. A very warm welcome, James. We meet twice weekly and scrutinise every bit of public expenditure we can. We are here to help the Treasury. I hope you find our Reports useful. Over to you if you would like to say a few words. We are delighted to have you here.

James Murray: Thank you very much, Sir Geoffrey. Can I congratulate you on being the Chair of this Committee and welcome of the new members on the Committee as well? As an MP since 2019, I have keenly followed the work of the Public Accounts Committee. I know what an important role it plays and I am honoured to be an ex officio member of the Committee now.

I know what work the PAC does alongside the NAO and the Comptroller and Auditor General, and how important its work is in supporting value for money. This Committee, as exemplified by me being an ex officio member, is one where we all have common cause to get value for money for taxpayers. It is collaborative in that sense, although obviously challenging and robustly critical, as a critical friend, in the right way. But we all have the same aim here, which is to make sure that public money is spent wisely and that taxpayers' money is spent to the common good.

Looking at the Treasury minutes, I know that over 90% of the Committee's recommendations have been accepted in the past, which shows the collaborative nature of the work between the Committee and Government and how important the work of the Committee is. I certainly hope to continue that tradition of implementing recommendations that the Committee comes up with. There is also a role for Treasury officials in



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making sure that other Departments report on progress on implementation, so that is a way in which the Committee can work with Treasury to drive progress and implementation right across Government.

It is important for me to thank the Committee Clerks and staff for their work in supporting all of the Members' work here. I know that, as Members, we tend to front it up, but we can only do that because of the brilliant people supporting us behind the scenes and doing all the detailed and hard work to enable us to do our jobs. I would like to thank them, the Treasury Officer of Accounts and the team in the Treasury, who act as a sort of central point of contact in Government so that the work the Committee does can be effectively transmitted throughout Government.

Over the years ahead, I look forward very much to working with the Committee. Thank you for inviting me along to this first meeting. Someone saw that I was appointed chair of the HMRC board, which is a new thing, and then I was appointed to this Committee. I think that they thought I was getting rather greedy with all those different positions, but they are both critical roles for me, as well as the Exchequer Secretary to the Treasury's principal job around tax policy. For me, being chair of the HMRC board, with its focus on delivery, is critical. I see the work of the Public Accounts Committee as fitting into that nexus of driving public sector reform and value for money for taxpayers, which is something we all firmly agree on.

Q1 Chair: Thank you very much for those kind words about the Committee. I think all the Committee would echo your remarks in thanking the C&AG and his staff, as well as our Clerk, Sarah, and our staff. It is a big Committee, with two public hearings a week, and we could not do it without the support of all these excellent people, so thank you for that. We understand that you are a very busy man, particularly at the moment, so stay for as little or as long as you want. If you have pressing engagements, we fully understand, but thank you very much for attending today. We welcome it.

Without further ado, let us go into our hearing. Dame Bernadette, I think you have been warned that I wanted to raise at the top the vexed subject of Hammersmith bridge.

Dame Bernadette Kelly: I have.

Chair: I am almost not going to ask a question. I am just going to let you give us an update, if I may.

Dame Bernadette Kelly: I have been warned of that, so thank you for the advance notice. The key thing to say is that Ministers have decided to reconvene the Hammersmith Bridge taskforce, recognising how important the issue is to the residents of the borough of Hammersmith and Fulham. Simon Lightwood, our Minister for Local Transport, will be joining that taskforce, and a date is currently being sought for a meeting.

More broadly, I am sure that if Ms Olney were here she would ask me about funding. We have, as I think the Committee knows, provided £13



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million of funding previously to ensure that the exploratory and stabilisation works could be done to the bridge. Decisions on further funding will now need to be taken in the context of the next phase of the spending review.

Q2 Chair: Can I press you a little on that? We have had evidence from Transport for London saying that, at present, London is ineligible to bid for the large local majors programme funded through the national roads fund, which allows eligible scheme promoters to bid for funding to cover 85% of costs. If they are not eligible to bid for it, is there some other way of providing the funding? In the last Parliament, if I remember correctly, the proposal was that your Department would pay a third, Hammersmith and Fulham council would pay a third and TfL would pay a third. The problem with that—Sarah Olney, the Member for Richmond Park, who cannot be here today, would certainly say this—is that funding a third is outwith Hammersmith and Fulham borough's abilities.

Dame Bernadette Kelly: You are absolutely right. You recall correctly: under the previous Government, there had been a broad agreement that funding would be split three ways for the major works, which obviously have yet to happen, between the Department, TfL and the borough. Indeed, the borough was looking at how it might raise revenues to fund its portion of that cost.

This Government will now need to take a view. It probably is correct that London cannot bid for MRN and LLM funding. I recognise that that source has indeed been used in other parts of the country to fund bridge work. We will need to reflect, with this Government, on what the appropriate funding mechanism might be. As I say, all of that will need to be considered in the spending review. Dave, can you say any more on that point?

Dave Buttery: The major road network/large local majors programme had a single entry point in 2019. At that point, the decision was taken that London could bid for schemes on the major road network, which is those roads that are most economically important, below the strategic road network that National Highways looked after, but not for large local majors. At the time, that was, I suppose, because of the different financial context in London, compared to other places.

That was a single entry point in 2019. We have not run another competition so, to that degree, Hammersmith bridge could never be eligible, because there is no opportunity at the moment. With that programme developing as part of SR phase 2, due in spring next year, we are thinking about the future of that programme, particularly things like renewals and the right balance between renewals and enhancements.

Q3 Chair: We have a lot to cover today, but I would simply say that having Hammersmith bridge not working causes considerable disruption in south-west London. I am sure that, if Sarah were here, she would echo that.



Dame Bernadette Kelly: I am sure she would. That is noted.

Chair: You can expect this Committee to keep an eye on that. Before I ask Members to come in, I would remind them that they have to declare any interest they might have and that they should do that before they make a contribution. Rachel, you are wanting to start on Stonehenge. Do you have any interest to declare?

Q4 **Rachel Gilmour:** Other than the fact that I try to use the A303, no. My constituency is Tiverton and Minehead, and the A303 is one of the roads that one might choose to get to London on. The issue around Stonehenge has been a problem for a very long time. I wondered where we are in terms of the tunnel, the road and things like that.

Dame Bernadette Kelly: As I am sure members of the Committee will have noted, the Chancellor announced on 29 June that the Government would not now be taking the A303 tunnel scheme forward. National Highways is currently implementing a closure plan for that project, so it will not proceed.

In terms of the broader challenges, I too have travelled on the A303, and many people have experienced the congestion. We would expect that National Highways will now need to consider this as part of its future work on route strategies, which is the work that generally feeds into subsequent road investment strategies, but I would have to say that that is some way in the future now.

Q5 **Rachel Gilmour:** It is the status quo, really.

Dame Bernadette Kelly: There will not be a major enhancement to the A303 at present.

Rachel Gilmour: That is disappointing, but there we are.

Chair: Are you happy?

Rachel Gilmour: No.

Chair: But you have pursued it as much as you want to at the moment.

Rachel Gilmour: Yes.

Chair: All right. But I understand that you would not be happy.

We now move into the main hearing. I did not really introduce it properly, so I probably should say a few words about it. Today we are looking at the local road network in England, which is essential to everyday travel and the movement of goods. However, despite their importance, the condition of these roads has declined sharply in recent years and the backlog of repairs is increasing. This is compounded by significant gaps in the data that the Department for Transport gathers on local roads, which hampers its understanding of the scale of the problem, as well as the complexity of the Department's funding arrangements for local



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authorities carrying out local maintenance and repairs. That is basically what we are discussing today.

I also should welcome Ruth Cadbury, the Chair of the Transport Select Committee. We are very pleased to have you here; thank you for guesting on our Committee today. Without further ado, let us move into the main hearing.

Q6 Mr Betts: Good morning, Dame Bernadette. Why do you think you are the only person in the country who thinks local roads are in a good condition?

Dame Bernadette Kelly: I think you are referring to the fact that DfT's official data suggests that the condition of local roads—it is notably A, B and C roads that I am talking about here—has remained broadly stable since 2016. I do not think that we would say that that necessarily means they are all in good condition, but our data shows that the proportion of roads rated as red—that is, needing maintenance now—has remained broadly stable. The figure is at 4% for A roads and 6% for B and C roads. We fully accept that that rather benign headline does not really align with other reports carried out by independent parties or with public perception. The condition of local roads is a matter of very significant concern to the public and to MPs, so I want to acknowledge that and say that very firmly.

Part of the reason for our figures suggesting a more stable position than people's experience may be that we have less robust data on the condition of unclassified roads, which account for 62% by mileage of all local roads. Our data suggests some worsening in the condition of those roads, but that data is less robust, because we collect it on a voluntary basis and over a four-year rolling average period, rather than a two-year average period, so it may not be as fully up to date. We would acknowledge that we need to reflect and understand that there is a gap between our headline position and what most people's experience of local roads looks and feels like.

We also recognise that there is room to improve our data on local roads. We have just issued a new standard, PAS 2161, for local authorities to use in reporting to us on the condition of local roads. This will do two important things. First, it will require local authorities to provide that data in a more granular way: rather than three categorisations of the quality or condition of roads, it will have five. In addition—this is the really important thing—it will enable, and we hope encourage, local authorities to use a wider variety of new technologies to gather data, which will be both more detailed and more robust.

Q7 Mr Betts: Is that guidance available to local authorities now?

Dame Bernadette Kelly: It is. We issued it in September, and we hope that they will begin to use it on a voluntary basis next year.

Q8 Mr Betts: Why voluntary if it is so important?



Dame Bernadette Kelly: They need time to adapt to ensure that they are able to use the new standard. We hope that many of them will use it next year. I might ask Dave to say more. It will be mandatory from the year after that, which is 2026-27, so we are clearly moving towards this new data standard. It is just a question of ensuring that local authorities are prepared and able to do that.

Dave Buttery: At the moment, we are piloting it with different technologies to allow us to compare and make sure that we get consistent data from different types of technology. The voluntary year next year will also allow us to compare the two datasets—what the data from SCANNER is telling us and what the new dataset is showing us—to allow us to see whether we can, effectively, compare back in time with the SCANNER data. That is why it is coming in on a rolling basis.

Q9 **Mr Betts:** It will be 2027 before you know what the state of the roads really is.

Dave Buttery: That will be when we get the full dataset using this new standard. The important thing to recognise is, ultimately, what we use this data for. It is the local authority's responsibility to maintain its network; that is the statutory set-up.

Q10 **Mr Betts:** You surely have to know what your money has been spent on. Otherwise what is the point of giving it to local authorities?

Dave Buttery: Yes, exactly. We need to understand, on a consistent basis, what the condition out there is. Our data is showing us that it is stable. What people are saying and what people experience is different.

It is also important to look at the Asphalt Industry Alliance data, which was raised in the NAO Report, because in some ways that shows a similar picture. We clearly have an increasing backlog; that is what the AIA shows in one part of its report. On the road condition side, it shows quite a consistent picture over the last three years, where 11% of roads in England and Wales have been red. There is a conundrum here, in that the data we are collecting and the data the AIA is collecting is showing a consistent picture, but that is not how people are feeling. The new standard will allow us to get into that and see why the data is not showing us what people think and what we feel.

Q11 **Mr Betts:** The DfT chairs the UK Roads Leadership Group. It has national Government, local government and others involved in it. Its data says that the roads are deteriorating, so why is there a conflict with the data you have?

Dave Buttery: Our data shows us the surface condition. There are many other bits to the overall condition of the road in terms of structures, footways and lighting poles. We acknowledge that the data we collect is only a portion of it. We acknowledge that it is not good enough to show us what we want to see, which is why we did PAS 2161 and why we have done the work that we have.



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Q12 Mr Betts: Are you going to continue to compare the data that you collect in that way, or in the new way, with public satisfaction? In the end, the public are the ones who use the roads, and they are showing increasing dissatisfaction.

Dave Buttery: There are other data points, such as insurance data in terms of damage from potholes. We are looking at all this data to try to get the right picture. Ultimately, we use this data to make a pitch to the Treasury—the Minister has gone—in terms of what the right funding level is, and as a means for local authorities to identify how well they are doing. We fully recognise that if that data is not good enough, it makes that job of getting the funding that we need harder.

Q13 Mr Betts: Why has it taken you so long to realise that the data is not good enough?

Dave Buttery: The development of PAS 2161 has involved a number of years of work already. We have recognised for quite a while that things need improving, but instituting a new standard that is consistent across the piece takes time, which is frustrating. It is not that we have only just recently realised that there is a problem, but coming to a consistent solution takes time.

Q14 Mr Betts: Are local authorities generally in agreement with the new standard?

Dave Buttery: It has been really welcomed. The local authorities and the sector in general think that it is a really good thing. SCANNER had its moment, but it is a technology from the 1980s. New technologies have come along. SCANNER is a single technology, whereas there are many other technologies out there, so the change opens up the market, allows innovation and allows us to get better data.

Dame Bernadette Kelly: We know that many local authorities are already doing innovative things with new technology. All sorts of visual imaging can be done now that has not been possible historically. We know that they are doing that and are using it to inform their own assessment, because of how they fulfil their statutory duties, and indeed how they allocate all the funding that they spend on road maintenance, which goes well beyond the funding that we, DfT, provide. A lot of this technology is already being trialled and piloted. As Dave says, the important thing is that we now have a national standard, which will ensure that local authorities are able to more consistently do innovative approaches, which will give us better data.

Rupert Furness: There is always a trade-off and a balance to be struck between how much data we demand from local authorities and how much they actually collect. There are limits through MHCLG's single data list on how much of a burden we can impose on local authorities. A lot of them collect their own very rich data, but there are restrictions and limits on how much data we can demand from them, to minimise the burden on them.



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Q15 **Chair:** Dame Bernadette, you have probably gathered from the subtext that there is a little bit of consternation. We are delighted that you have announced and told us about PAS 2161, but I think that this is the first time we have been aware of it. When did this all come about?

Dame Bernadette Kelly: I do not doubt that the work will have been going on for some time, but I am not sure. I think this is the first time I have appeared before this Committee—as you know, I have been around a little while—to talk about local roads maintenance. The work will have been in gestation for some time.

Q16 **Chair:** Is it in the public domain?

Dame Bernadette Kelly: Yes.

Dave Buttery: Yes.

Q17 **Chair:** It is in the NAO Report.

Dame Bernadette Kelly: We had not published it, I think, at the time the NAO did the work on its Report. It has been published more recently than the NAO Report.

Chair: That is helpful clarification.

Q18 **Chris Kane:** You are going from three measurements to five. I am interested in why five is the right number. Also, were the local authorities involved in designing this? What information can they provide now that does not create the additional burden of moving to a different standard? Is there more that we could get more quickly if local authorities could provide what they already have?

Dame Bernadette Kelly: Let me explain what the five categories are, and then I might ask Dave to say a bit more about how we have worked with local authorities in developing this. We had three, because there was a red-amber-green rating system under the previous standard. That reflected “no further treatment required”, “maintenance required soon” or “should be considered for maintenance now”. The five new categories are “no deterioration”, “minor deterioration” and then “moderate”, “moderate to severe” and “severe deterioration”. We are trying to strike a balance here. Five is manageable but gives enough detail and granularity for appropriate targeting of work. I have absolutely no doubt that local authorities have been extensively involved in developing this, and I will ask Dave to say more about that.

Dave Buttery: On the five, one concern from the sector on the three-category model that we have is that there is a bow wave of roads right up at the amber-red border that the data does not show. Basically, authorities are just keeping roads out of the red. That could explain, I suppose, why the perception and the data are not quite lining up. Having the five will allow you to see that top end of amber a bit more and see whether that is what local authorities are doing. The deterioration is not amber moving into red; it is stuff at the bottom of amber now being right



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at the top of amber. As Bernadette says, you have to have a manageable number of different segments, and we think that this gives us the kind of insight we need.

Local authorities and the technology sector have been working on this throughout, with our team's stats, so everyone buys into this and thinks that this is the right thing to do. As to whether local authorities, which have a lot more data already, using different technologies, could share that data with us, the issue is about its comparability. Apart from SCANNER, where authorities are collecting data using different technologies, they have those different technologies to suit their personal needs.

The work on PAS 2161 has shown that the comparability of data from different technologies is quite broad. There is quite a broad variation, so we could, subject to it being all right with MHCLG in terms of single data, collect all this data, but it would not fulfil the purpose of being able to compare it and give a national picture. That is why we have gone down this route, because it will give us a consistent national picture that is richer and so help our case.

Dame Bernadette Kelly: As Dave said, that is really vital for us to have in order to inform advice to Ministers on what the appropriate funding level for local roads maintenance provided through national Government is. What do we do with that data? We form a view about the national condition of the roads in England and about what that suggests for the need for central Government investment to support local authorities.

Q19 **Chair:** This raises a lot of issues for this whole hearing, and other Members are going to come in briefly in a minute. I do not want to spend the whole Committee on this, although bits of it will come out subsequently. I wonder whether it would be possible to have a note that tells us what consultations you have had with local authorities so far on the detail; precisely what data you are going to collect so that we can have data on the whole system on a consistent basis from every local authority; whether they are able to give you that data in that consistent form and, if they are not able to do that now, when they will be able to; and what the financial implications of this are. That would be really helpful.

Dame Bernadette Kelly: May I clarify so that we can respond? You said, "what the financial implications of this are". Do you mean the financial implications of transitioning from one data requirement to another data requirement for local authorities?

Chair: Yes, precisely.

Dame Bernadette Kelly: Okay. We can work through that

Q20 **Rebecca Paul:** I would like to disclose that I am a county councillor at Surrey county council. First, I want to say that the roads are not in good condition. It is something that comes up a huge amount. The data piece



is really important, but we also need to get the balance right. We know we have a massive backlog, and a huge amount of work needs to be done to get our roads up to standard. But we need to not tie up our local authorities in bureaucracy and reporting, and instead let them actually get on with the job. I would like to understand from you how you are going to get to a position where you and we have the data we need in order to do that, but without distracting from the job at hand.

It would also be good to understand a little more about the technology you think could be used. Often, technology can be a real solution here. We have vehicles that are travelling our roads every day. I am not an expert in this, but I would imagine that that includes rubbish collection vehicles. We have vehicles that are going across the road surface across the entire country where we have residences. I wondered what your thinking is in terms of taking the pressure off local authorities so they can do what they need to do but we have the data we need.

Dame Bernadette Kelly: I will make a general point, but it is really to echo the point that Rupert made. We are really cognisant, when we are thinking about local roads maintenance and the information that we ask for from local authorities, of the need to strike exactly the balance you say. This Committee and others rightly expect us, as a Department, and the Government to have an understanding of the condition of local roads. We must collect data in order to have that understanding.

It is principally the statutory responsibility of local authorities to maintain those roads, and we do not want to bury them in bureaucracy. Conscious decisions—and I think that this was reflected in the NAO Report—have been made in the past to limit, or at least to be quite proscribed in, the data we ask for from local authorities, precisely because we do not want to place undue burdens on them. Mr Betts will be particularly familiar with the fact that that is a broader part of how the Government's framework of accountability for local authorities works. That is very much in the front of our minds. I do not know, Dave, whether you could say more on the other points Ms Paul has raised.

Dave Buttery: As Bernadette says, burden on local authorities is a big issue that we are very aware of. We believe that PAS 2161 will reduce those burdens. At the moment, you have a situation where local authorities potentially collect data in one way, using one technology for their own operational purposes, and then collect SCANNER data to feed us, which is ridiculous. PAS 2161 will mean that a local authority can choose the technology it needs for its operational purposes, and then, as long as it is accredited, that will be able to be used for our national statistics.

In terms of the technologies that are out there that we are currently testing and piloting, there are quite a lot that are camera based. A company called Gaist up in Yorkshire has vehicles fitted with cameras that can drive along, scan the road and the footways—not just the carriageway—and then compile. That will be translated into condition



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data. Blackpool is already using that kind of data, because SCANNER does not like tram tracks. It confuses tram tracks with cracks in the road. All these technologies have their limitations.

Other local authorities are using what is called Vaisala RoadAI, which uses cameras on non-dedicated vehicles, so rubbish trucks or other vehicles that are regularly going around the roads, and uses that feed to compile condition data. There are many other potential technologies out there. All vehicles collect a huge amount of information on ride and suspension. There are some companies thinking about how they can aggregate that from manufacturers and potentially give you some condition data as well. That is one of the really exciting things about PAS 2161. It opens up a huge number of opportunities and should reduce burdens on local authorities.

- Q21 **Chair:** Mr Buttery, do that technology and this new system include things like bridges, footpaths and so on? We have had a lot of evidence from interest groups. Bridges are hugely expensive for local authorities, and my local authority in Gloucestershire, in particular, is concerned about this. Footways are hugely important to people, particularly those with physical and mental impairments. Will this whole system and your technology include those?

Dave Buttery: PAS 2161 is just the carriageway, in terms of the standard and the data that we ask for from local authorities. The technologies that are out there do a variety of things. The Gaist technology collects footways as it is going along. I am not sure whether it is the same technology, but Gaist also has a tunnel condition technology. The conscious choice that was made back in 2016 was to stop collecting national data on bridges.

One thing we need to think about looking forward, taking into account very much the burdens on local authorities, is whether we are collecting all the data that we need. At the moment, we are just doing carriageway. As you say, footways are very important for our ambitions on active travel, as well as being real barriers for people who have mobility impairments.

Chair: We will come back to that, probably later in the hearing. We will certainly want to involve you, Mr Furness, in that discussion on those sorts of interest groups. We will now turn to Michael for the last question on this particular aspect.

- Q22 **Michael Payne:** Can I declare an interest as a member of Nottinghamshire county council and a vice-president of the Local Government Association? DfT's data shows that local road conditions—and I think you said this, Dame Bernadette—are in roughly the same position that they have been in recent years, yet the NAO Report points out that there is a £15.6 billion backlog in roads maintenance. It also shows that the DfT's own data shows that the length of roads that is maintained is declining every year. Can you understand people's



frustration and confusion when those two points are being made? Only one of them can be true, can't it?

Dame Bernadette Kelly: I do completely, and we have acknowledged that. I want to continue to reiterate that we are not here saying that we think that there has been no deterioration in road condition over recent years. There is enough broader information to tell us that that cannot be entirely true, or certainly is not the full picture, hence the need to improve the data. There is also, as I say, the recognition that where our data is much less robust is on unclassified roads, which are 62% by mileage of local roads and are the roads that most people are probably experiencing most of the time. I acknowledge that.

I think that the backlog figure quoted in the NAO Report is an Asphalt Industry Alliance figure, so it is not independently verified by the Department, but we would recognise that there is a significant backlog. The last time we formally assessed it, I do not think that we would say it was a high-confidence assessment, but we did some work on this in 2019 and concluded that there was a significant backlog of work then. I would expect, given the severe weather conditions, and particularly the very wet winters we have had, that that will have expanded since then.

I was very interested in the numbers you were referring to in the NAO Report, which show fewer miles of maintenance by local authorities than previously. We have been reflecting on that in the context of the work on the NAO Report. There could be a number of things going on there. First, I suspect that it may be that local authorities are doing road maintenance in more efficient and better ways. There could be some positive steps going on there. We also know that, although the Government's funding has been a bit lumpy, in absolute cash terms it has been similar, but the value of that, given inflationary impacts, particularly on the construction industry, has been less in real terms for local authorities. There are a number of different things.

Rupert Furness: There could be several reasons why the total amount of mileage being maintained by local authorities is declining. It could be, as Bernadette says, that they are repairing fewer miles but to a higher standard. It could be that they are using their funding to look after assets such as tunnels and bridges instead. Our guidance to local authorities has been to move away from an approach where they are simply looking at patching potholes along miles of roads to a more asset management approach, where they are looking at the whole of their networks. Also, even though the overall spend by local authorities has been broadly stable over the last decade or so, of course there have been inflation pressures as well. All those factors could explain why the total mileage is reducing.

Q23 **Michael Payne:** If I may press this point briefly, Chair, I hear all that. From my own experience as a county councillor and somebody who drives on the roads, I absolutely get that there could be different reasons. The concerning thing is that they are all "could be's" and



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"maybes". They are not "definitely". The concern in the NAO Report is that you are going to have this new programme for monitoring roads, but it says that, "DfT will not require local authorities to increase the proportion of the network they monitor each year."

How is the Department going to assure itself that this significant amount of taxpayers' money is being used in a valuable fashion, given some of the things you have just said—the "maybes" and the "might be's" about the amount of roads that are being maintained declining each year? How are you going to assure yourselves that taxpayers' money is being spent in a valuable fashion if you are not going to be asking local authorities to monitor a higher proportion of their roads each year and therefore improve the dataset that you have?

Dave Buttery: There is always a balance to be struck here between, as Ms Paul says, the burden you put on local authorities in terms of reporting, and ensuring that we are allocating our money efficiently and getting value for money. The approach that we have set up is focused on the roads that are used most frequently. There is a higher data burden on A roads. That then obviously declines down to U roads. The challenge for us is that we all think the deterioration that people see and feel is probably on those U roads. While they are not the most heavily trafficked, they are the ones that start and end most journeys. It is the road outside your house. If there is a pothole there, you see it every day. It becomes much more totemic in a way that it is not here.

We have consciously taken an approach that is based on usage and trying to balance that with local authority reporting burdens. We have maintained that. We are happy to look at it, but we need to think about the impact that that will have on local authorities. Particularly for large local authorities with lots of U roads, it is quite a big reporting burden if you change that approach.

We do have an issue around the U roads. This comes back to your point that it is just "might be" and "could be". My conjecture is that, because it is a rolling average over four years, effectively that will downplay deterioration. You will only start to see a fuller picture in a number of years. That is an issue; that is a problem. Once PAS 2161 is implemented and we see a bit more the impact that it has on local authorities in terms of the reporting burden, and whether it actually frees up burden, that potentially gives us a scope to increase it, but I do not think that we are there yet. I do not think we are in a world in which we are wanting to put more burdens on local authorities.

As Bernadette said earlier, we also need to step back and recognise that it is the local authority that is responsible for the road and that is making those decisions about how it maintains its network and what its priority is. There is a bit of a risk. We do not want to move into a position where we determine and decide how a local authority maintains its roads.

Q24 **Chair:** Mr Buttery, we have a lot to cover. Fascinating though all this is—



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I can see that you have a great passion for roads—we are not going to get through everything if we have too long an answer. Dame Bernadette, I do not mind who answers this question—whether it is you, Dave or whoever. We are very keen on measuring things in this Committee. You can measure things only if you know what the baseline—the status quo now—is. I want to really get to the bottom of Michael Payne’s question about the backlog. I want to go to paragraph 13 on page 9, bearing in mind that this is an agreed Report between the NAO and you. I quote the middle bit of that paragraph: “DfT estimated the backlog to be between £7.6 billion and £11.7 billion in 2019. In 2023-24, estimates by the Asphalt Industry Alliance put the backlog at £15.6 billion (including in London)”. Those are very big variances. What is your best estimate, as a Department, of what the backlog is?

Dame Bernadette Kelly: The last time we estimated the backlog was in 2019. As the NAO Report states, at that point we had a range of £7.6 billion to £11.7 billion. We have not subsequently done an analysis to calculate the backlog, so that is simply where we are. We do not annually calculate a backlog. We annually look at the condition of the roads as reported by local authorities.

Rupert Furness: It is also quite hard to define what we mean by a backlog. We accept that it is very significant, whatever the precise number.

Q25 **Chair:** That is the problem. If we do not get to some rough idea of what the backlog is, how do we have a rough idea of what money needs to go in to solve it? If it was between £7.6 billion and £11.7 billion in 2019, it has to be at least that level now. Is it that level—£11.7 billion—or is it nearer the Asphalt Industry Alliance’s level of £15.6 billion?

Dame Bernadette Kelly: I cannot give you a number. It would be wrong to try to suggest that I can. Observed impacts since suggest that it is likely to be higher, as I say. We know that we have had particularly bad winters for the roads, so I would estimate that it is higher. We have the asphalt industry’s estimate as an independent industry source, but I cannot give you another DfT figure for that.

Chair: Okay, we can bear that in mind when we come on to questions on funding. That would be really helpful.

Dame Bernadette Kelly: Indeed, yes.

Q26 **Rachel Gilmour:** Going back to the issue of pavements, if at the moment you are looking only at road surfaces, there is a very real danger that the pavements and cycleways are not in a condition that supports the objectives, which are your objectives, on accessibility and active travel. We have received some information from the National Federation of the Blind, and I attended one of its meetings not very long ago. It is concerned about floating bus stops, which is not your concern. It is also concerned that, although tactile paving is not a high priority, it provides essential safety and accessibility for blind and visually impaired people.



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We are going to talk a lot about measurements today. It would be good to understand how the state of pavements is measured and how it fits your own objectives, particularly bearing in mind its impact on the ability of people with impaired sight to leave their own homes. That is what we are talking about here; we are talking about freedom of movement for people who, at the moment, cannot use pavements because those are in such poor condition and you do not know about that.

Dave Buttery: It is right that we do not collect separate data on the condition of cycleways. However, the data that we collect on the carriageway will include data on all the cycleways that are just demarked by lines, not segregated, because the standard requires the outside lanes to be assessed. That data will give us an indication about cycle lane condition. I agree that it is not universal.

You are right that we do not collect data on footways; the local authority will and should, to fulfil its duty to maintain the highway. We come back to the question about what the right burden is and the position of the national Government versus local government in this area. In my heart of hearts, I would love to have that data and be able to use it and enrich it. I recognise that every Department wants information from local authorities, but we need to strike a balance. That balance has been struck where we currently are on the single data list.

Through Active Travel England, which covers both cycling and walking, we are doing a lot of work with local authorities to build their capacity in active travel—both cycling and walking. The pavement is a key part of that. This is our way of influencing and funding local authorities to improve that. Active Travel England is working with local authorities to try to get a national picture on cycleways, because we cannot say where they are; nobody can. You are right: we recognise that there is more to do, and it is really important to meet our target of 50% of short journeys being by walking and cycling.

Rachel Gilmour: I am getting quite frustrated by this burden business, because, in my mind, you are accountable for the state of the roads, ultimately. You cannot keep on saying that it is up to local authorities and that we have to put the burden on them. I am a new MP. I am an MP for a Devon and Somerset constituency. There are roads in my constituency that people cannot drive on. There are not very many A roads. They are the B roads and the U roads. In this whole experience of trying to find some accountability for my constituents, who are taxpayers, I am not finding that today, I am afraid, whether we are talking about roads, cycle paths or anything else. I am expressing my profound frustration. I really think that you have to up your game. Let us move on to bridges.

Q27 **Chair:** Before we move on to bridges, I want to bring in Rupert Furness, because you are the deputy director, local highways and active travel. Mr Buttery has referred to the target of 50% of journeys in urban areas being walked or cycled by 2030. Sustrans has put in evidence to us and is saying that, without maintenance funding, this investment will have



limited impact and will make that target much more difficult to reach. Do you want to say something about that? That is a clearly a very important target. It is a very ambitious target. Without maintenance of cycleways and footpaths that Rachel Gilmour has been talking about, it ain't going to happen, is it?

Rupert Furness: Absolutely, we accept that it is really important to maintain pavements and cycleways properly to enable more people to make their journeys on foot or by bike. The extra funding that the Government have announced for next financial year, both for highway maintenance and for active travel infrastructure, will allow local authorities to start making improvements to their cycleways and footways as well. You are right that there are very clear connections between these two agendas, which is why I am quite glad that they both sit within my team. In short, I accept the very important link between maintenance spend and people's ability to use pavements and cycleways.

Dame Bernadette Kelly: Can I make a broader point? You raised some important points about accessibility, and I want to emphasise that that is something that the Secretary of State is extremely focused on, as she made clear in her remarks last week before the Transport Select Committee. It is a very high priority for her. It will be at the heart of our integrated transport strategy, which will be looking at the end-to-end journeys that people experience. As you say, you step out of your home and are immediately experiencing the transport network. We need to ensure that people with disabilities and impairments can do that as freely as others. To that general point, I want to give you that reassurance.

The point about accountability and your frustration is one that I want to respond to as well. It is the law that local authorities have a statutory responsibility to maintain local roads. They have a very clear legal duty and, indeed, they allocate very significant funding, which does not come from the Department for Transport. If you look at capital and revenue together, three quarters of the money that local authorities spend on maintaining their roads does not come from DfT. It comes from other sources.

Equally, we fully recognise the responsibility that national Government have for looking in the round at the state of our local roads and for playing their part in allocating national funding, for ensuring that we have appropriate data and know what is going on, and for supporting local authorities to do their jobs as effectively as possible. There are different accountabilities here. We are not trying to say that there is no accountability. We need to be clear that local authorities have certain accountabilities, and we in DfT and in national Government have accountabilities. It is a mixed market when it comes to local road conditions.

Q28 **Rachel Gilmour:** I understand the statutory responsibility that local government has, but it is a very difficult thing to explain to the people who pay their taxes.



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Dame Bernadette Kelly: I completely understand that, yes.

Q29 **Rachel Gilmour:** Certainly in my constituency, to use the word “diabolical” for the roads would be quite kind.

Dame Bernadette Kelly: I completely understand, by the way, that the public do not care whether it is local government or national Government. They just want their roads to be better.

Rachel Gilmour: Moving on to bridges—

Q30 **Chair:** Just a second, Rachel. You are raising very good points, which I totally agree with. It is all very well to shuffle the legal responsibility on to local authorities. You will curse it, I am sure, by the end of the hearing, but the Asphalt Industry Alliance said to us in evidence, “Local authority highway teams are faced with a thankless task: they have a legal responsibility to keep our roads safe yet haven’t had the funds to do so in a cost effective, proactive and sustainable way.” Your Department has the ultimate responsibility.

Dame Bernadette Kelly: I do not know whether you want to move on to funding now. I do not want to pre-empt that part of your questions, but there are a couple of points in response to the quote you just gave. If you look at the totality of funding that is spent on local roads maintenance, it is about £4.4 billion a year. That has actually been steady in real terms—that is, adjusted for inflation—over the last decade or so. Of that, about £1.2 billion in the current year comes from DfT. Of course, the Government have announced a £500 million uplift in the amount that will be allocated to local authorities next year. I hope that that signals very clearly the importance that this Government attach to roads and local road conditions, and the priority that they wish to give to funding this work. Again, the funding that we provide is only part of what local authorities invest in the condition of their roads.

Chair: Rachel Gilmour, I am very sorry to keep interrupting you. Can you now go on to bridges? Your authority and mine are very concerned about the cost of that.

Q31 **Rachel Gilmour:** Yes, because there are the big modern bridges, and then the little ones, which were built for carts and horses, and now you have enormous lorries driving over them. Bridges are famously very expensive to repair, and yet you have no data on them. How do you work out how you are going to manage and plan an expenditure if you do not have any data on the condition of bridges?

Dave Buttery: You are right. A decision was taken back in 2016 to stop collecting data on bridges. Unfortunately, I am going to mention the “burden” word again—I am sorry. It was due to a decision at that time to reduce reporting burdens. Since that point, the RAC Foundation and ADEPT—the Association of Directors of Environment, Economy, Planning and Transport, so those bits of local authorities—have been doing surveys of local authorities, so there is information out there on a national level



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on the number of what they term substandard bridges in Great Britain. Their definition of substandard is a bridge that will not take a 44-tonne lorry. To your point about very old bridges, those were never designed to take 44 tonnes. They would appear as substandard, but no local authority would ever need or want to improve them.

What that data shows is, again, slightly counterintuitive. The last survey was the lowest reported level of substandard bridges since they have started doing surveys, in 2016. Some 4% of bridges were substandard. The numbers have basically held broadly steady, fluctuating between 4% last year and 4.6%. That shows a picture of things being static and, like you, I think that that does not quite feel like what I am hearing from local authorities and about the world, but that is the data. There is some data out there.

Coming back to what I would like, I would love to have better data to understand this issue in more detail. In terms of how we allocate the funding, a proportion—15%—is allocated to bridges. That is done on the number of bridges that a local authority has. In that sense, we know how much money to give, because we know how many bridges there are. The counterpoint is that you do not know how many bridges are in a bad condition as opposed to a good condition. That is true, but in giving a proportion for all of the bridges, it is then for the local authority to manage and determine how that money is spent across its asset categories.

Q32 Rachel Gilmour: To be clear, you aspire to have data on bridges. Would that be accurate?

Dave Buttery: From a personal perspective, yes. I then need to set that in the context of all the things that we are asking local authorities for.

Q33 Chair: There is a slight gloss on what you have said, Mr Buttery. If you turn to paragraph 1.9 on page 18 of the Report, which is an agreed Report I would remind you, it says that 4% of bridges in England, totalling around 2,300, were in substandard condition. It goes on to say that DfT analysis, following a 2016 national flood resilience review, identified 11,000 bridges on the A road network that are vulnerable to failure in severe weather events. This whole subject of bridges is really quite serious, is it not, given that they are so expensive to maintain?

Dave Buttery: Yes. They are a key risk item. I would not in any way say that we are complacent about it. There are different measures. The “substandard” is just about whether it can take a 44-tonne truck. Whether it is resilient to flooding and how it will be affected by climate change is a different risk factor. As you say, we have less good information there, and that is clearly an area where there is a lot of focus at the moment.

You spoke earlier about the UK Roads Leadership Group. It has recently formed a special adaptation, biodiversity and climate board to specifically



look at what the highways issues around adaptation are, in order to ensure that we have better guidance, attention and thoughts on that very important issue.

Rachel Gilmour: I am flabbergasted. I find the whole thing flabbergasting, to be honest. I am learning.

Chair: Let's move on to Ruth Cadbury, the Chair of the Transport Select Committee.

Q34 **Ruth Cadbury:** Thank you, Chair, for letting me guest today. Before we finish this section of questions on data collection, could the DfT not collect the data via the regular MHCLG reporting? MHCLG collects data regularly, so could DfT not ask for data via that route, by attaching reporting requirements to the £1 billion a year you fund, or even as a one-off in preparation for the spending review?

Dame Bernadette Kelly: These are all very good questions. We are in the process of beginning to reflect on what future funding arrangements are going to look like. This Government will want to consider that in the next phase of the spending review. This is one of the areas of spending that are also being considered in the context of integrated settlements and so forth—consolidation of Government funding for local authorities. We are having a very active dialogue with MHCLG, therefore, about how this will be funded and what form that funding will take. The issue of how much funding is something we will also be having a very active debate about in the spending review negotiation.

That is most definitely an opportunity for us to think, review and reflect on what kind of data and information we need. For example, one thing we would like to get better information on is outcomes, as well as inputs from local authorities.

Ruth Cadbury: We will come on to that in a moment.

Dame Bernadette Kelly: There is definitely a live set of questions for us, and I think we will have that dialogue. We did an evaluation of one of our potholes funds with local authorities, and they actually expressed a willingness to provide more data. Sometimes local authorities complain that central Government is asking for too much. Because they genuinely see this as a very important activity and a joint endeavour of national Government and local government, this is an area where they may well be willing to provide more data if that helps us to help them and helps them to do their jobs better.

Rupert Furness: You alluded to the increase in funding that we are providing and whether that gives us the opportunity to ask for more data. That is something our Ministers are already really interested in—whether that extra funding next year gives us a good opportunity to tie those additional funding allocations to more data requirements.

Q35 **Ruth Cadbury:** Having spent 25 years as an elected councillor, I know



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that providing data is not a burden if it helps you benchmark and is going to help you get resources from various sources for your local authority area. You said that there is a live conversation with MHCLG about this data. Have you asked it to include this data so that it can collect it and help you do your job?

Dave Buttery: The condition data that we currently get is on MHCLG's single data list. That is the route by which we get it from local authorities. The focus previously has always been on maintaining and not expanding that list, which is why, in the previous exercise, the data that we collected on bridges, again through that route, was taken out. That was an attempt to reduce the amount of reporting that is coming from local authorities. As Bernadette says, the conversations we are now having with MHCLG are around integrated settlements, outcome frameworks and what that looks like, and clearly data and data reporting is a key part of that. Those conversations are happening but not yet concluded.

Q36 Ruth Cadbury: Dame Bernadette, the Department for Transport funds local authorities for local roads to the tune of about £1 billion a year. Despite the contradictions about how bad our roads, footways and cycleways are, I think that we are all agreed that they are in a terrible state, and our constituents would certainly agree. You agreed with just about everybody that the situation is getting worse. What outcomes are you looking to achieve from the funding that you provide to local authorities for local roads?

Dame Bernadette Kelly: We are currently reflecting with our new Ministers—relatively new, I should say; not so new now—on how they wish to define those sorts of outcomes for the future. That is, as I say, work that we are doing in the context of allocating the £500 million of additional funding for the next financial year for local authorities that was announced in the Budget. It will also be part of the conversation we are having in the spending review about what we want to see beyond that. I do not have an answer for you today, but we will be looking to work out what the right set of metrics is, based on the data we have, to measure those outcomes.

Rupert Furness: That is right. There is a very live discussion going on about possible metrics. We need to be very careful that any metric does not lead to unintended consequences. For example, if we had a metric solely focused on carriageway condition, that might then distract local authorities from looking at bridges, which, as has already been said, are a hugely important part of the local highway network. We would need to make sure that the outcome framework did not drive wrong behaviours, if you like, and was genuinely a cross-cutting outcome framework.

Q37 Ruth Cadbury: If you do not actually currently have a good understanding of the outcomes that have been delivered from the funding you have provided, how can you discharge your responsibilities as the accounting officer?



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Dame Bernadette Kelly: We have an understanding, based on the data we currently collect, although obviously, as we have acknowledged, there are opportunities to improve the data. We have data, which gives us a guide to what is happening to the condition of local roads.

My responsibility as accounting officer is to ensure that the value for money of our expenditure is good. All the analysis—and we have done a lot over the years—of the value for money of local roads expenditure is that it is very high. We have recently done an economic appraisal of this. I think that the NAO Report quotes our assessment of the return on every pound spent on local roads as £7. We have done a more recent economic appraisal, which is not as robust, or does not have as high a confidence level, but that actually suggests a return higher than that: it is £9 for every £1 spent. This is an area where I am confident that the money that we spend and allocate to local authorities is delivering good value for money for taxpayers. We have a lot of analysis that demonstrates that. It is one of our highest-value areas of financial investment, I would say.

Rupert Furness: Local authorities have their own local government accountability framework, which is all about ensuring that they are delivering value for money with every pound of taxpayers' money that they spend. There are very strong rules for local authorities to drive better value and ensure they are delivering excellent value for money with what we give them.

Q38 **Ruth Cadbury:** As you are developing your outcomes matrix, can we be assured that footways and cycleways have as high a billing as carriageways and, as you have mentioned, bridges?

Dame Bernadette Kelly: We hear the Committee's interest in that, as well as yours, in your role on the Transport Select Committee. That is clearly something that we and Ministers will want to reflect on. We will think about how we do our work in future in a way that recognises those issues and concerns.

Q39 **Ruth Cadbury:** I have a final one on the spending review. If you do not have sufficient information to understand the current condition of roads or the impact of the funding that you already provide, how do you use the evidence to inform the spending review for the local road maintenance funding?

Dame Bernadette Kelly: We will always have a debate and a negotiation with Treasury about what the appropriate level of funding for local roads is. As you would expect, we will make a strong case. We can do that based on the evidence and data that we have, and the evidence and data that various independent sources like the AIA and the RAC bring to bear. Also, there is very clear evidence that the condition of local roads is vital to a huge range of transport outcomes. I do not think that even the most hawkish of Treasury colleagues would argue with that. We know that it is very good value for money and something that the public really care about. I would like to think that we will be in a strong position.



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Obviously, fiscal constraints are what they are for the whole of Government, so we will always be making our arguments for maintenance in that context. I believe that we will be able to make a good case for the importance of local roads funding. As I say, the fact that this £500 million has been announced already demonstrates that that is understood, and we will continue to have that debate.

I would say more generally to the Committee that we are having a debate with Treasury all the time on infrastructure investment, but our position as a Department is that you have to start by maintaining the assets that you have. That is the No. 1 responsibility: to maintain our assets, whether it is the railways, the strategic road network or our local roads network. We have to get that baseline right before we can really think about where the opportunities are to build new.

Rupert Furness: We have very good evidence from some local authorities of the benefits of long-term, sustained funding and how that can drive efficiency. We have really good data from some excellent authorities, including Surrey, which you mentioned earlier, on the efficiencies that can be delivered when you have a multi-year framework in place.

Q40 **Mr Betts:** Moving on to funding at local level—I should just declare that I am a vice-president of the Local Government Association—how many pots of money do local authorities currently get to spend on local road maintenance?

Dame Bernadette Kelly: I will start. The NAO Report sets out the pots from national Government. It says that there are up to 12 at various points, with varying amounts funded through them over the last 10 years. The table in the Report, which I do not have to hand, shows that there have been multiple pots from national Government.

Authorities also allocate capital funding from their own locally derived sources. They receive revenue funding, principally via MHCLG's revenue support grant, but also from locally derived sources. There are a range of sources of funding for local authorities.

Q41 **Mr Betts:** It is a bit of a mess, isn't it?

Dame Bernadette Kelly: I would not argue that this is the most streamlined way to fund local roads.

Mr Betts: That is a very diplomatic answer.

Dame Bernadette Kelly: Yes. We absolutely see the case that, at least in relation to the national funding that we in DfT provide, there are strong arguments for simplification and consolidation to allow local authorities to receive that money and, therefore, spend it more efficiently. Indeed, we know that, in practice, they treat a lot of the pots that they receive from DfT as a single source. Once the money reaches local authorities, they



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are not really that bothered about whether it has come from the National Highways pot or another.

Q42 **Mr Betts:** Are you that bothered? Do you monitor it?

Dame Bernadette Kelly: How much we try to ringfence different funds and tie them to very particular activities is an interesting question. Again, that is a debate that we need to have, because we want local authorities to be able to spend money in the most efficient way, which usually means flexibilities. As the last part of this discussion has illustrated, we also need to be confident that it is being spent on the things that we have allocated it to.

Q43 **Mr Betts:** How much time do you spend on trying to look at the pots of money that you are allocating, how they are spent and what particular value those individual pots give?

Dave Buttery: Clearly, we allocate annually, so there is an annual process of calculating the different amounts. As Bernadette says, once it gets to local authorities, it gets to them as a non-ringfenced grant, and so, in theory, a local authority can use it on anything it wants. The data that we get from MHCLG consistently shows that local authorities spend three times more of their own money than what we give them on road maintenance, so we are confident that the fact that it is non-ringfenced does not mean that it is getting diverted. Local road maintenance is clearly a very important local issue, so we have confidence that the money goes to them for those purposes.

Beyond that, coming back to what Bernadette says about statutory responsibility, we are not seeking to impose conditions such as, "This much money needs to be used for exactly that purpose." It is for local authorities to determine how they want to maintain those roads to get the outcomes that they want.

To answer your question directly, we do not agonise significantly over how each pot is used by each local authority, and we do not get reporting back from local authorities on exactly how much money from each pot they have used for what thing.

Q44 **Mr Betts:** It is all a bit of a waste of time, isn't it?

Dave Buttery: As Bernadette says, there are efficiencies to be gained.

Mr Betts: So the answer is yes.

Rupert Furness: It is a system that has evolved organically over the years, as different bits of funding have been announced by previous Governments. You are right that, in the current financial year, we have a highway maintenance block needs element, a highway maintenance block incentive element, and a pothole fund element. In practice, local authorities treat those as one and the same thing. I suspect we might come back to the incentive element later in some of your questions, but we do not ask them, as Dave says, for separate data.



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Q45 **Chair:** In order to knock this particular problem on the head, I would say that you have hinted strongly, Dame Bernadette, that you think there should be consolidation in all of these budgets. Is that likely to happen and, if so, when?

Dame Bernadette Kelly: We will look at the case for consolidation. Ultimately, decisions will need to be taken by Ministers. We hear the arguments. Very fragmented funding is generally not a good way to allocate funding for this activity. It will be a part of how we decide to structure the future funding of local roads maintenance in the next phase of the spending review.

Q46 **Mr Betts:** You mentioned integrated settlements as part of that; indeed, we are moving to potentially very big ones in the west midlands and Greater Manchester shortly, but the general drift is that that will go on to more local authorities. In future, you will not have the same relationship between your funding and what local authorities have to spend on roads, but you are still going to be responsible for making sure that there is value for money in there. How are you going to do that? It is going to be more challenging, isn't it?

Dame Bernadette Kelly: We are working this through. The Committee may be aware—if not, I am happy to ensure that information is shared—that MHCLG is working closely with us and other relevant Departments on the future accountability framework, including the role of accounting officers in a context of integrated funding settlements for local government. This is something that a lot of thought is currently being given to.

As I say, it is very important that we are sharing that fully with the Committee, and that the Committee is confident that it allows all of us in the system to discharge our accountabilities appropriately and correctly. That is an ongoing debate. As I say, what we will need to debate as well with Ministers is exactly how roads funding is treated within a settlement, and how we are able to satisfy ourselves about the use of those funds on the activities intended.

Q47 **Mr Betts:** At some point, you are going to have more information on that for us.

Dame Bernadette Kelly: The accountability framework is something I have discussed very recently with my counterpart in MHCLG, and we agreed that we should talk both to the NAO about it, since it is quite fundamental not just to this area—there are many areas of Government that will be affected by it—and to the PAC.

Q48 **Mr Betts:** I have one further question, about how you measure whether road funding can get better value for money if there is certainty about it over a longer term. We have had a number of PFI schemes—five of them have been running—on local road maintenance. One in my own city of Sheffield was set up in about 2011. Have you done any evaluation not just of the nature of PFI itself, but of the benefits that can come from



long-term funding arrangements?

Dame Bernadette Kelly: I will not talk about PFI specifically, if you do not mind. Our general view on transport funding, on funding of assets and on funding of infrastructure is that long-term certainty is really important. For whoever the delivery partner is, whether it is a national or a local body, having certainty of funding allows it to plan, resource and execute work as efficiently as possible. I am sure that there are evaluations that underpin that assessment. It is an approach that we take on the maintenance of the railways through their control period funding.

Q49 **Mr Betts:** You say that you are sure that there are evaluations, but are there? These schemes have been running for quite a long time now.

Dave Buttery: I am not aware that we have published any evaluations of the PFIs yet. Rupert may be able to correct me.

Q50 **Mr Betts:** Why?

Rupert Furness: It is partly because they are still ongoing, if you like. We have not come to the end.

Q51 **Mr Betts:** You do not wait for 25 years, until the end of something, before you assess whether it is working, do you?

Dame Bernadette Kelly: I will need to check what formal information we have on those PFIs. I just do not have that information today, but I am happy to share.

Chair: You will let us have a note.

Dame Bernadette Kelly: I am happy to let you have a note on the PFI point. I took your point, though, to be about long-term funding as a general proposition.

Q52 **Mr Betts:** It is, rather than just the way that PFI happens to be funded. Nevertheless, it is probably one example that exists where authorities have had some long-term certainty over local road funding.

Dame Bernadette Kelly: Do we know that that has enabled them to do a better job? It is a very good question. Let me check and see what more information we can provide for the Committee.

Dave Buttery: We have recently published an evaluation of roads reform—so the strategic roads side—where, again, you have long-term certainty of funding clearly covering maintenance, renewals and enhancements. That shows that, as Bernadette said, having that certainty has driven significant efficiencies and improvements in the way that the strategic roads have been managed. You would expect that that would be equally applicable to local roads, but it does not answer your point on PFI.

Chair: Thank you very much. We look forward to a note on that subject.

Q53 **Rebecca Paul:** You have talked about responsibility for roads



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maintenance sitting with local authorities, but I would suggest that, although that is true, our local authorities are hamstrung. First, there is not enough money. Secondly, there is the short-term funding point that we have just talked about. When you layer on top the fact that utility companies can come in and dig the roads up whenever they like, that means that we are often moving one step forwards and two steps backwards.

We have this pot of money that we would all, in an ideal world, like to see become bigger, but the reality is that we need to use that as effectively as we can, so the allocation of that funding becomes really important. In Surrey, we have one of the busiest road networks in the country, yet this is not reflected in the funding that it receives from the DfT. The lion's share of funding is allocated based on road length and takes no account of traffic volume. If you think about somewhere like Surrey, there are two major airports that people are travelling to. People are going in and out of London and down to the south coast. Dame Bernadette, why do you not consider where investment could have the greatest impact in your approach to allocating funding to local authorities? Surely, traffic volume is an obvious and important factor.

Dame Bernadette Kelly: I completely understand the argument. As you say, the biggest element in the current formula for allocation is road length, which accounts for 82% of the allocation. The other two things that we take into account are the number of bridges, which, of course, are very important, and the number of lighting columns.

I absolutely understand the arguments that are made for including other factors, and traffic volume is the one that comes up most often. Ultimately, there is a policy choice there for Ministers to take, but I would say two things. When we last consulted on this, which was in 2014, so some time ago, the majority—63%—of respondents, which I expect were mostly local authorities, were against the inclusion of traffic volume. That was a factor in the formula allocation being as it is.

Of course, we could change it. It would be a major exercise, and there would be winners and losers, which, of course, we always know is challenging as well. For example, an obvious point would be that rural areas would likely end up with lower amounts of funding, if you placed a weighting on traffic volume, than urban areas would.

In the end, those are policy choices for Ministers, but it would be a very significant shift, and that is why it is something that we need to think very carefully about and that I know Ministers would want to reflect on very carefully.

Dave Buttery: It is also worth recognising that the 82% that is allocated to road length is split equally into three parts. A third goes on A roads, a third on B roads, and a third on C roads. A roads are 9.8% of roads, and C roads are 62%. Essentially, you get £6 for every A road, compared to the U roads. It is a proxy for traffic, so it directs more money at the A



roads, which are used more heavily. It is clearly not a perfect proxy, but it is important to recognise that the formula does not completely ignore the fact that some of our roads are used much more heavily than others.

Q54 Rebecca Paul: I am aware of the consultation that was conducted, and the 63% that you referenced, but one of the important things that we do here is take a fact and evidence-based approach to how we allocate funds. It is always good to get people's views but, as you rightly said, when there are winners and losers, there is going to be bias creeping into consultation responses.

That is where it is really important for the Department, which has the interests of the entire network across the country in mind, to work out the best way that funding should be allocated. As you rightly say, it probably would not stop just at traffic volumes, and you made a very good point about rural areas. You can also start thinking about climate, and I understand that it can become more complicated, but, right now, what we have is not working.

Forgive me for mentioning Surrey again, but it is the area that I am most familiar with. It is the fifth busiest county, and you can see that in the roads. The running joke is that, as you cross the border into Surrey, you see the difference. That is not the local authority's fault per south-east; it is literally because many people from outside the county are using those roads.

How would you suggest that we move forward in getting to that more fact and evidence-based, improved way of allocating funding—effectively, a fairer way of allocating funding?

Dave Buttery: As Bernadette says, there are ministerial choices here. One thing we are working with Ministers on, off the back of the NAO Report, is how they want to respond. Clearly, the NAO has identified the fact that we have not looked at the formula for 10 years, and the need to do that. It has raised the importance of traffic volumes and referenced condition. Those are all things that we will have conversations with Ministers about, and they will ultimately decide.

Clearly, that will also be linked to the SR phase 2. As you say, there are more winners and fewer losers if you have more money, so I am sure that that will be part of Ministers' considerations on this going forward as well.

Rupert Furness: The current formula has two key merits, one of which is simplicity and objectivity, and the other of which is stability, because your road lengths do not change very much over time. Traffic volume, if you like, is a more dynamic thing. On the one hand, we are trying to give local authorities long-term funding certainty. If, at the same time, the formula is changed in such a way that you are not quite sure how much you are going to get from one year to the next, that is a tension that we would have to handle quite carefully.



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Q55 Rebecca Paul: In the light of the geographical disparity that we have in road condition, do you have a view on where investment in local road maintenance would have the greatest impact? Are you starting to see trends? Have you done any work around where the need is greatest?

Dave Buttery: We have the headline figure of the red routes but, beneath that, we have it by local authority, which we publish. What we see is quite a mixed picture. There are not strong correlations in terms of, "It is all rural areas that have poor roads," or, "It is all urban areas." It is quite a mixed picture.

What does come out is that roads in the north-east are very good. I do not know why, but roads in the north-east all come quite high up. Some of the London and southern roads are more towards the bottom. The challenge with the data is that it is not only measuring or informing us about our funding allocations. It is also telling us about local authorities' decisions. Trying to pick out where local authorities are making certain choices with their own money, given their own priorities, as opposed to it being an allocation problem is quite difficult.

We do have that data. We do look at it. It is not telling us in big red letters, "This is the problem and this needs to change," but, as I said earlier, this is something that we are looking at off the back of the NAO Report to try to get more into it in more depth.

Q56 Rebecca Paul: I certainly welcome the fact that you are looking at this, and I would definitely suggest that traffic volume should be seriously considered, because it is intrinsically linked with economic activity going on. We would get substantial value from improving those networks that are highly used.

According to the Report, around 8% of total DfT funding, or about £1.1 billion, was allocated based on self-assessment by local authorities linked to adoption of best practice principles—so, incentivisation funding. It seems to be recognised that this has not worked as well as you probably hoped it would, and probably for fairly obvious reasons. The majority of the funding is allocated on normal road network information in the usual way for. Rupert, what are you planning to do next to incentivise improvements within local authorities, given that that did not really work? I hope that you have taken some learnings from that.

Rupert Furness: You are right. The previous incentive element ran for a number of years. Local authorities had to self-assess against various criteria, including whether they had an asset management overall approach, whether they were following the best practice in our own code of practice document, whether they engaged enough with the public, and all that sort of thing.

We would argue that it was not a complete failure, because most authorities, over time, improved their self-assessments, such that it reached the point, as you say, where the system almost ran out of steam, because everybody had got up to the top category. That does not



mean that it was a failure. We would argue that that led to a lot of improved performance across the sector, but we do recognise that, looking forward, we need to think again about incentivisation.

Something that we will be very much thinking about as part of the second phase of the spending review is how we can link long-term funding to a new incentive element. We do not yet know precisely how a new incentive element would work. We will be looking to learn from the previous element.

One of the criticisms of the previous incentive approach was that there was a lack of auditing by DfT. It was very much local authorities marking their own homework, if you like, so that is certainly one of the lessons that we will be reflecting on as we move towards developing a new incentivisation approach.

Dame Bernadette Kelly: Can I just also add—maybe this is the right point to bring it in—that if what we are trying to do is incentivise local authorities to adopt best practice, whether it is in the use of technologies, in preventive work or in engaging communities, how we structure the funding is clearly one way that we might do that, but there are other things that we can do as a Department to ensure that that is happening.

One of the things that Ministers are currently considering is a review of the code of practice for well-maintained highways, which Rupert has just mentioned. That feels to me like quite an important role for Government to take on in, as it were, convening and spreading best practice, and working with local authorities to enable them to adopt it as effectively as possible. That, as I say, is something that we are currently discussing with Ministers, because that is another opportunity for us to play a part in supporting local authorities in this very important work.

Q57 **Chair:** Dame Bernadette, given that your Department used to issue national technical guidance—you had the national transport laboratory—my impression, having driven around the country, is that the performance of local authorities technically is quite variable. Is there not a case for giving local authorities more technical guidance as to how they maintain their roads?

Dame Bernadette Kelly: That is a good question. I will make a couple of points in general, which are probably relevant to this. One is that, from the data on what local authorities allocate, the revenue funding that they are allocating has remained very stable. Despite the fact that we know that they are under very significant resource constraints, they have continued to fund revenue funding. That suggests that they are maintaining capability. It is an indicator rather than an absolutely demonstrable thing.

The second point is that, yes, one of the things that we as a Department can do in many areas of our work is support local authorities in executing their responsibilities on transport, and there is an important enabling role



for us. For example, in the way that Active Travel England is working with local authorities, you see how we can do that.

On the question of technical guidance specifically, though, I might ask colleagues to comment.

Dave Buttery: The code of practice is quite a significant document in and of itself, at 260-odd pages. That is our key bit of guidance.

Q58 **Chair:** Do you update it?

Dame Bernadette Kelly: That is the conversation that we are currently having with Ministers. It will be a major task to update it, but we consider that there is a case for doing so.

Dave Buttery: We can see the value. Some of the things that we recognise are not in there and need to be in there from a technical perspective are particularly around climate adaptation and the added focus that there needs to be on that. We need to update it for the technologies that are out there, not only technologies that can assess condition, but those that are now out there in terms of pothole filling and other things. That is very much our focus in the conversations that we are having with Ministers at the moment.

We should also not ignore the fact that local authorities spend a lot of time and effort sharing best practice with each other via ADEPT and things like Live Labs, where we are funding research into how to do highways maintenance sustainably. There is already quite an active community out there. We need to make sure that we are playing our part and supporting that. If we review the code of practice, that is a key part of that.

Q59 **Rebecca Paul:** The Asphalt Industry Alliance's data from local authorities shows that the maintenance backlog is growing. In 2019, it was £9 billion, and now, in 2024, it is estimated to be £15.6 billion. I know that we talked about this a little bit before. It seems like this issue is clearly getting worse, and our current approach is not working.

Dame Bernadette, why has the backlog in local road maintenance increased so substantially since 2019? I am particularly interested to get your views on whether we are putting too much emphasis on short-term, sticking-plaster measures, effectively, such as pothole repairs. They are important for road safety but, fundamentally, potholes are a symptom that a road has not been resurfaced when it should have been. The way that we fix this issue is by resurfacing roads at the right time. It would be good to get your view on that.

Dame Bernadette Kelly: On the backlog point, I probably do not have a lot to add to what I said previously. You quoted figures. They are not figures that the Department has independently verified, but we do not deny the general point that the backlog is significant. All the evidence



suggests that it is getting worse, and weather conditions would certainly lead us to that conclusion anyway.

The question about potholes versus other road maintenance is a really interesting one. Potholes have a particular political salience. As under the previous Government, the current Government have a manifesto commitment to deal with up to a million potholes a year. We know that it has become a currency that the public recognise and that politicians really care about, which is why we will continue to urge and work with local authorities to ensure that funding is directed towards that.

You are absolutely right: road surfacing and preventive action is, ultimately, what local authorities need to do. What we need to work with them on and to support them in doing is ensuring that they are taking road surfaces as a general issue, and that they are taking preventive action as well as action to deal with potholes as they arise.

To some extent, "potholes" is a bit of a shorthand, isn't it? It is an expression of people's frustration with the condition of roads, but there is a risk that we become overly focused on that at the cost of other things that local authorities need to do.

Dave Buttery: Our guidance and the incentivisation that was in there was about asset management, which is that long-term preventive approach. There are reasons why it has been more difficult for local authorities to do that. The overall funding position for local authorities is very tight, but the fact that we have had a succession of short-term funding positions may have driven local authorities to be more reactive, because they cannot see their programme going forward to enable them to be preventive. Again, these are arguments that we will deploy in the spending review phase 2 to try to get that longer-term funding settlement.

Rupert Furness: I have just one other thought on why the backlog might have increased. The one thing that Bernadette did not mention is that there were inflationary pressures in recent years as well, especially in the construction sector, which have meant that your pound does not go quite as far as it did, plus a series of very wet winters and increasing traffic volumes.

Also, the manifesto commitment is, of course, to fix up to an extra million potholes over every year of this Parliament, just to clarify.

Dame Bernadette Kelly: Thank you for correcting me.

Q60 **Rebecca Paul:** The pothole piece is really important, because you are right: when the general public talk about potholes, they are talking generally about their dissatisfaction with the roads, but it is really important that, as a Department, you differentiate. I can look at those funds and see the word "pothole" quite a lot. A lot of people who understand road maintenance would say that "potholes" means that you



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have left it too late.

We need to have more emphasis on road resurfacing at the right time. It is really incumbent on you, as a Department, to drive that and to counter the narrative that is out there, so that we make sure that money is being directed into the right long-term actions for our roads.

Dame Bernadette Kelly: I fully accept the point. In all of our work with local authorities, we are looking at asset management, not just narrowly at potholes. I recognise the point, and it is reflected in practice in a lot of the work that we do, and that local authorities do too, because they know that potholes, as you say, are illustrative of a problem that has been allowed to continue for too long.

- Q61 **Chair:** Dame Bernadette, we have had evidence from the AA. I do not know whether you see the evidence that we get, but let me just quote it on this important point to back up what Rebecca Paul is saying. At the bottom of its evidence, the AA says, "Local authorities need to break the cycle out of 'reactive' repairs to proactive, planned maintenance." This is the important point. The cost of reactive pothole filling, it says, was about £74 per pothole in 2022-23, compared to £50 for planned, preventive maintenance. A lot of what is being done is short-termism driven by finance. Surely, we need to get more into proper planned maintenance rather than reacting to everyday troubles that arise with potholes.

Dame Bernadette Kelly: We would strongly agree with that point.

Rupert Furness: It comes back to the importance of a long-term funding settlement, which is something that we will be trying very hard to pitch to our friends in the Treasury over the coming weeks and months.

Chair: We are, hopefully, strengthening your arm on that.

Dame Bernadette Kelly: Yes, indeed.

- Q62 **Michael Payne:** If I may, just on this point about potholes, the NAO Report shows that 31.6% of the capital allocations from DfT last year alone were specifically on the pothole fund. I have seen with my own eyes—I am sure that this happens around the country—this money being spent and literally poured down the drain. This is valuable taxpayers' money. Potholes are being repaired and sealed incorrectly. Two or three days later, they have broken apart.

As you said earlier, Dame Bernadette, local authorities have a statutory responsibility for local roads, but the Department for Transport is accountable in terms of the use of taxpayers' money here. This Committee, in particular, is concerned with making sure that every pound and penny of taxpayers' money is used valuably.

I would just like to press this point about the code of practice and the conversation that you are having. It is really important that there are technical standards and expectations on how that money is spent, if we are going to continue with this pothole focus and with a third of the



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money being spent on potholes. At the moment, a significant amount of that money is being wasted. Essentially, it is a sticking-plaster, which may last one or two days at best, and the local authority is then returning.

The other point that taxpayers get hugely frustrated about is local authorities visiting a particular site on a road, fixing a certain pothole that meets their standards in terms of depth, and leaving four or five other potholes around it, only to have to return to the same part on the road a week later. The work that you are going to do around the code of practice and the expectations on local authorities, notwithstanding the concerns that you might have around burdens, is critically important here, because it is a major source of frustration for taxpayers, who see a huge amount of money being wasted.

Dame Bernadette Kelly: Again, we take the point. It is a point that you are making, rather than a question, and we agree. We want to be as effective as we can be in, as you say, not just allocating funding, but ensuring that that funding is spent on activities that are going to have the best outcomes.

Q63 **Rebecca Paul:** I have just one final point, because it is really important. I understand that this is a challenge, and it is important to put ideas out there and to try to be constructive. As a county councillor, one of the frustrations that I have is that we have the community infrastructure levy, the purpose of which is absolutely to invest in infrastructure related to development. That can include resurfacing and repairing roads. I am interested in whether you have done any work on understanding the unspent funds across the country, which I suspect are in the billions, and whether you have given any thought to how that money can help address the challenges that we face with our roads.

Dame Bernadette Kelly: I am not sure that I understand what the unspent money is.

Q64 **Rebecca Paul:** It is the community infrastructure levy. It is money that is sat with the local authority, so it is not sat with the DfT.

Dave Buttery: I am not aware that we have looked at that.

Dame Bernadette Kelly: It is a very interesting point. I will have to take it away and look at it. I suspect that that is a conversation, again, that we need to have with MHCLG, which administers it.

Rebecca Paul: That would be fantastic. That is all I am asking.

Dame Bernadette Kelly: I will take it away.

Q65 **Rebecca Paul:** Anyone who is a councillor will be aware of it, but I find that, quite often, people in government are not necessarily aware of it.

Dame Bernadette Kelly: If there is unspent money somewhere, we would be very interested in identifying it.



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Q66 **Rebecca Paul:** An exercise to look at whether that can be part of the solution would be really valuable.

Dame Bernadette Kelly: Let us take that away.

Q67 **Ruth Cadbury:** You have just agreed with Michael Payne that, clearly, money has to be well spent. Patching up a pothole only for it to break apart a week or two later, or patching up one pothole and leaving others around about in a dreadful state, is clearly what our constituents see all too regularly, and you agree that it is not satisfactory.

My understanding from the NAO is that you have not evaluated the impact that the billions of pounds in funding for local road maintenance since 2015 have had on road conditions, so how are you going to know which of the mechanisms that you have used to allocate funding has been most effective?

Dame Bernadette Kelly: We have recently published an evaluation of the potholes fund, which has been quite an important element of the funding in recent years. We have some points that have emerged from that. We know that local authorities, for example, interpret the fund broadly and do not necessarily treat all of our separate funding streams as ringfenced, which is probably quite sensible of them. They want to see a long-term funding strategy, which is something that we have talked about. They have also highlighted their interest in us doing more consistent data collection. We have done that evaluation, and that is an important one. It definitely is pointing to some lessons that should be very important to us going forward.

More generally, I reflected on this in the light of the NAO Report. We are a Department that does an awful lot of evaluation. We take it very seriously, and we embed it in our work. I asked the question, "Should we do more in relation to local road condition funding?" The reason that we do not evaluate everything is back to this point that this is money that we allocate to local authorities, and then we rely upon them, in executing their statutory duties, to do so sensibly. It is also because we know that, fundamentally, this is very good value for money, so I, as an accounting officer, am not going to lie awake at night worrying about that.

It is an important point. We should do more to evaluate, whether that is formal evaluation in an analytical sense, or more general best practice, and the code of practice work gives us an opportunity to do that.

Q68 **Ruth Cadbury:** Evaluating funding measures different techniques and styles, but we all agreed earlier in this session that longer-term funding streams are generally better value for money. Is there a case for finding ways of establishing long-term funding? In a lot of infrastructure—and I know about transport—there is a strong case for more long-term funding streams, but they are not always there. Are there more possibilities for this?



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Dame Bernadette Kelly: It is something that we actively want to explore. We have long-term funding for our railways maintenance and for the maintenance of our strategic road network. We do that because we know that it is more efficient, so we should be asking ourselves, "Why do we not do that for local roads and local authorities as well?" In the end, that is a conversation that we will need to have with Treasury, and it is a set of choices for Ministers because, while long-term funding has the attractions and the benefits you that mention, Ministers will also want to retain a degree of funding flexibility over periods of time to be able to adjust funding as well. It is definitely a live issue and something that we will be discussing.

Q69 **Chair:** Let me come back to this important business of funding. Dame Bernadette, you have announced this £500 million-worth of funding, but, in the longer term, there is £8.3 billion to be funded from the HS2 pot. Can you just give us an idea of where we are with the total funding for roads?

Dame Bernadette Kelly: No. I am sorry if that is an unhelpful answer, but I genuinely am unable to do that. What the Government have set out are their spending plans for this year and next. We will be allocating funding for next year for local roads imminently, so we will be able to confirm funding for 2025-26 very soon.

Q70 **Chair:** When will that be?

Dame Bernadette Kelly: Imminently. Ministers will have to approve that and be satisfied, but I hope that that gives a sense that it is going to be soon. Beyond that, I cannot give any assurances to the Committee, because this is something that we will have to look at in spending review phase 2. All I can say is that, from a DfT perspective, we will be making the case for the importance of funding for local roads maintenance. I do not think that I can be more helpful than that.

Rupert Furness: You referred to the £8.3 billion from the HS2 programme. That was a figure that the previous Government announced, and the current Government have said that they are looking again at the affordability of the various commitments that were made under the Network North plan. That £8.3 billion figure is one that no longer has any particular traction, if you like, but it is all now being reviewed as part of the spending review.

Q71 **Chair:** Given that the whole thrust of our hearing today has been short-termism over long-term planning, can you at least give us a clue, when you do make an announcement, as to whether there will be any certainty over a number of years as to what sort of funding they are likely to get?

Dame Bernadette Kelly: This will be down to the spending review and decisions that Treasury and the Government will need to take about the period of the spending review and what it is going to cover. My best expectation at the moment is that we will be looking at the three years beyond 2025-26 in the SR phase 2, although I know Treasury is



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interested, particularly for capital, in looking slightly longer term—to this point about short term, long term and the importance of certainty for efficient infrastructure investment. It is not in my hands, so I cannot give you the assurances. It will depend on how the spending review process is determined by the Treasury.

Chair: I am sure that that is something the Committee will wish to return to.

Dame Bernadette Kelly: I am sure it is.

Q72 **Chair:** Could I just clarify something that you said earlier? It raised alarm bells in my head. You gave a figure of £4.4 billion that you said was spent on roads each year. I do not recognise that figure, so can you give us a bit of a breakdown on that?

Dame Bernadette Kelly: I was reflecting, in preparing for the Committee, that we might need to write to you on it, because I do not think that it is as clear in the NAO Report. I am not disagreeing in any way with the NAO Report, but it is something that may be helpful to clarify for the Committee.

If I take 2023, DfT provided capital funding, which, including the funding allocated to MCAs through CRSTS for local roads, came to about £1.2 billion. I am rounding quite loosely here, and we can give you the detail.

Chair: That is fair enough. I understand.

Dame Bernadette Kelly: There was additional capital funding from locally derived sources, which local authorities provided, of around £1.5 billion. There was revenue funding, which local authorities again allocated, from local sources and, I assume, from MHCLG's revenue support grant, of about £1.8 billion.

We have a quite detailed table here. It draws on MHCLG capital receipt data that is published. That is the source of those numbers. If it would be helpful to clarify those, we would be very happy to provide more written information to the Committee.

Rupert Furness: I accept that it is a very complex landscape.

Dame Bernadette Kelly: It is complicated.

Q73 **Chair:** That is helpful. Those three figures combined—some of that, admittedly, is capital and some of it is revenue—

Dame Bernadette Kelly: It is capital and revenue combined.

Q74 **Chair:** We need to just separate that out. It comes to £4.5 billion.

Dame Bernadette Kelly: Yes.

Chair: Can I just bring Jonny Mood from the NAO in on this?



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Jonny Mood: Just to come in briefly, we do not disagree with the figures. It is not the focus of the Report.

Dame Bernadette Kelly: The focus of the Report was DfT funding.

Jonny Mood: A large amount of the funding that they are referring to is revenue funding. That is for cutting grass verges, gritting roads and other maintenance activities that are not necessarily the focus. It also includes some of the staff capability costs, which is relevant but outside of the scope of the area that we are looking at here.

Chair: That is really helpful.

Q75 **Peter Fortune:** I have to admit that that £8.3 billion allocation surprised me a little bit. For my clarity, £150 million was issued in 2023-24, and £150 million in 2024-25. Local authorities were expecting that to continue.

Dame Bernadette Kelly: That is last year and this year.

Dave Buttery: There is the extra £500 million next year.

Dame Bernadette Kelly: That is what the current Government have committed to in the Budget.

Q76 **Peter Fortune:** I am sorry if you touched on this earlier, but the figures that were talked about in the paper—£1.1 billion to £1.6 billion—did not include the money that had come from the cancelled HS2 funds, did they?

Dave Buttery: Network North or HS2 money had a currency under the last Government, which meant that it was separately identified. If you look at what has happened with the allocation for next year, what we have, effectively, is the allocation that we had last year plus the £150 million, plus £500 million. It is all additive. If you wanted to, you could say, "Well, there is £650 million from Network North", but it is slightly off now.

Q77 **Peter Fortune:** When we look at the figure, there is a 50% increase. That is not including the Network North money that has gone in.

Dave Buttery: It is.

Dame Bernadette Kelly: Sorry, let me just check. In the current year, taking the block funding, the potholes fund and the funding that was allocated by the previous Government as a consequence of Network North, we have a total allocation of £1.275 billion. For next year, the allocation will be that £1.275 billion plus the £500 million announced by the Chancellor in the Budget, bringing us to £1.775 billion.

Q78 **Peter Fortune:** Did you say that we are going to get a decision soon on whether that cancelled HS2 money is going to continue to be used and allocated to local authorities?



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Dame Bernadette Kelly: This Government are reviewing future spend, and that will include any Network North commitments. Those were commitments under the previous Government. That was a publication by the previous Government. This Government are now looking broadly at spending in the spending review, and will decide there what the appropriate levels are.

Q79 **Peter Fortune:** Previously, what was happening with that allocation in London—I am a London MP—is that 95% to 96% of that money was going directly to local authorities as opposed to TfL.

Rupert Furness: Some of it went to TfL. Some of it went to the individual boroughs. You are right.

Q80 **Peter Fortune:** Is the thinking currently that, were it to continue, it would still go directly to the local authorities, which is where I think it is better used, rather than going to TfL?

Rupert Furness: We do not yet have a decision from Ministers on exactly how the allocation in 2025-26 will work.

Dame Bernadette Kelly: That decision is imminent, so we will be able to share the details at that point on how that issue is being addressed.

Q81 **Peter Fortune:** How imminent, would you say?

Dame Bernadette Kelly: I am sure that the Chair is familiar with “imminent”.

Q82 **Chair:** Does that mean Christmas or spring?

Dame Bernadette Kelly: It means Christmas rather than spring. We would want local authorities to have certainty for next year as soon as possible. There are then always the usual choices in Government about grid slots and things of that sort.

Chair: Peter Fortune makes a really important point. The poor old local authorities have to plan. Their next financial year is coming up pretty rapidly, so they do need this information as soon as possible.

Q83 **Peter Fortune:** That is going to hit my local authority by probably about half a million quid, I would have thought, in terms of what it can do.

Dame Bernadette Kelly: It is material.

Q84 **Peter Fortune:** It is a huge figure. When I am driving outside of my local authority, which has, of course, perfectly smooth and wonderful roads, and I hit a pothole, I always say to myself—and my kids take the mick out of me for it—“What am I paying my flipping road tax for?”

I went away to think about that when I saw the Asphalt Industry Alliance figure for the backlog of £15.6 billion, and I had a squidge at the fuel duty figures and the vehicle excise duty figures. There is £24.3 billion taken in on fuel duty, and £8.2 billion taken in on vehicle excise duty, which is about £32.5 billion—about twice what is required to fix all the



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existing potholes. If I was answering my own question, which is, "What am I paying the road tax for?" what would be the answer? Where is the rest of that allocation going, if we cannot find half of it to bring all the roads up to speed?

Dame Bernadette Kelly: As you know, taxes generally are not hypothecated to specific purposes, so you would probably need to raise that question with the Treasury. All I will say is that, in DfT, we would always welcome seeing more money being spent on roads maintenance.

Peter Fortune: That is what I thought. What do I pay my road tax for?

Chair: You got the answer that you expected. Peter, you were not here at the beginning. You may have interests in local government that you wish to declare at this point.

Peter Fortune: I have an interest in local government, but I am not a councillor.

Rebecca Paul: In my local area, I am seeing increased incidences of flooding on the highway, which undermines road integrity. Water ingress is part of the reason why we end up with potholes. Dame Bernadette, what are you doing to help local authorities adapt and make their roads more resilient to the impacts of climate change? Have you taken into account any changes needed to road surfaces as a result of the increased volumes of electric vehicles that we are going to start seeing? Their heavier weight is going to have a different impact and create more stress on the road surface.

Dame Bernadette Kelly: On climate change and adaptation, that is exactly the sort of issue that we want to look at in looking at the code of practice because, clearly, that is a growing and important issue for road surfaces and road conditions. That is where we would expect to pick that up. There is also a sub-committee of the UK Roads Leadership Group, which has been formed to help ensure that local authorities and others are able to share experience and best practice. It is a known issue, and it is one that we would expect to be addressed through those routes.

Dave Buttery: As Bernadette says, at UKRLG, we have an adaptation, biodiversity and climate board, which has been a new innovation, drawing on local authorities and their expertise. We have particular expertise from the impacts of Storm Desmond in the north and the flooding that came from that. We have done quite a bit of work with PIARC, the World Road Association, which has technical committees looking at disaster recovery. We have been funding a project on what are called rapid impact assessments, which are how you help local authorities to triage and, in effect, when they have had a big flood, how they respond to it in the most effective way.

There is a lot of activity going on but, as Bernadette says, we need to translate that into the code of practice to enable it to be disseminated more broadly. Coming back to the funding allocation, we also, clearly,



need to think about the extent to which adaptation and climate feeds into any review of that.

On EVs specifically, they are clearly heavier than normal cars. The main roads are built to withstand 44-tonne HGVs, so the impact of more EVs on those roads is quite slight. The U road network is built to a wide range of differing standards. Some of them are medieval, and some are more modern. That is the area where EVs are potentially more of a challenge, but, even there, the weight of an EV is still going to be below the weight of a 26-tonne lorry, so the impact is not going to be that great.

The risk factors that we are actively considering are things like electric buses and electric HGVs. Thinking about how the network absorbs and reacts to those is probably more pertinent than the EVs themselves. It is also worth noting that, at the moment, EVs are only something like 3% or 4% of the car park, so the impact of those vehicles is quite minimal. We also need to recognise that cars, as a whole, are getting bigger and heavier, so it is not just an EV issue, but more about the way that our roads are being used.

Rupert Furness: We would accept that this is a hugely important area. Just one thing to add is that the Department published, earlier this year, a draft transport adaptation strategy, part of which was about giving additional responsibilities to organisations such as local highway authorities. It is all about embedding adaptation and resilience considerations into everyday activities. The Department is currently considering responses to that consultation and will make a further announcement shortly.

Q85 **Rebecca Paul:** It is really important that we keep the holistic picture in mind, given that there are quite ambitious targets around this. We need to make sure that we are building all of that into the plans that we have for our roads. Although it sounds that you are not overly concerned, I would imagine that, if people change over to electric vehicles and those are going over our road surfaces day after day, that is going to have an impact, particularly on roads that are already not up to standard and whose structural integrity has already been impacted.

In terms of the climate piece, I am sure that lots of people across the country are impacted by the increased flooding that we are seeing on highways. It sounds like you have started to look at some of this, but have you assessed the particular areas in the country that are most at risk of this? Is that going to feed into the work that you are doing?

Dave Buttery: DEFRA does flood risk mapping, which is out there, and you can map the road network across that. I know that National Highways is doing quite a lot of work. Coming back to the point about responsibilities, it is for the local authority to determine how it manages its flood risk in its area.



You raise a good point about making sure that we are cognisant of the differential impacts that that might have across the country and seeing whether that needs to be reflected in the way that we allocate money. I will take that point away and consider how we make sure that we do not miss that issue going forward.

- Q86 Rebecca Paul:** I would say that flood risk on our roads is really important. It feeds into the point that I was making on the community infrastructure levy. That can be used for drainage improvements. When you are doing road maintenance, that is the ideal time to make sure that your drainage is sorted out. We really need to bring all of this thinking together in order that we have sound roads that drain properly, because that water on them just means that they have shorter lifespans. We really need to bring all of that together.

I wanted now just to touch on autonomous vehicles that are going to drive themselves. This is quite a new thing for me. I have not seen one of these in action. We are expecting to see them in England as early as 2026, which means that our roads are going to need to be ready for that. What work have you started doing to assess the state our roads are going to need to be in to support that? Can you set out for us the challenges and the opportunities, and where you are at with that?

Dave Buttery: On one level, to be authorised as an autonomous technology, the technology needs to be capable of operating on all of our roads safely. It is about making the vehicles fit for the roads as much as making the roads fit for the vehicles. Clearly, we cannot approve a technology that is not safe and capable of being used across our road network.

- Q87 Rebecca Paul:** We cannot be saying that it needs to meet the needs of unsafe roads. Surely, that cannot be what we are suggesting. Our roads need to be up to standard.

Dave Buttery: Yes, but nor can it be that we have to raise every single road in the country up to a gold standard that an autonomous vehicle needs. That also is not right. It is about making sure that the technology and the roads work properly together in all circumstances.

There are already licensed semi-autonomous systems out there. Ford BlueCruise is the first one to have been authorised for use on strategic roads. The issue with that technology is around lineage, effectively. The lines on the road need to be of a sufficient standard that these systems can spot them. That is a challenge from a road maintenance perspective, because that is a revenue cost, not a capital cost. Here, that is about our relationship with MHCLG and the broader local authority settlement. That needs to be right to enable those technologies to be used on the local network. At the moment, it is on the strategic roads where we do have that control, and we are thinking actively about it.

We recognise that this is a future challenge, and that things are moving really quickly, but also changing very quickly. Our understanding of



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exactly how the roads need to operate to enable the technology is constantly changing. Within the Department, we have a unit called the Centre for Connected and Autonomous Vehicles, which is working with the Department for Business and Trade to formulate this market and to think about what we need in terms of infrastructure and other things.

Rebecca Paul: It is quite a challenge, when we are already in a situation where our roads are not up to standard and we have potholes that are dangerous.

Q88 **Chair:** I want to just follow up, Mr Buttery, if I can, with three important points in relation to Ms Paul's excellent questions. First, on road vehicle weights, in answer to her, you talked about the extra weights of commercial vehicles. The maximum on our roads is currently 44 tonnes. Does that mean that you are contemplating having heavier vehicles on our roads to compensate for the extra weight of electric vehicles? If you do not, that means that the payload of HGVs will be lower. If you do increase the weights, that is going to give considerable problems to our roads, particularly our bridges. What is the thinking on this?

Dave Buttery: It will be for Ministers to decide, ultimately. The sector is campaigning to allow heavier vehicles, to get around the payload disadvantage of electric vehicles. I look after infrastructure rather than vehicles, so my worry is the one that you have expressed about bridges and the capability of the network to take those heavier weights, or the cost that would be required to implement them.

No decisions have been made. I mentioned them as a risk factor, in effect, in thinking about, as Ms Paul was saying, what things are coming that could impact on the network. That is an area where there is a risk that we could have to cope with heavier vehicles, but I am sorry if you took that to mean that that was a direction of travel.

Q89 **Chair:** You have opened that particular box up. I am sure that others will have a lot to say on that.

The second one was autonomous vehicles, which Ms Paul was asking about. There are two aspects to this. There are the conditions of the road and the white lines, as you pointed out. Were you hinting, in your answer to her, that, if we are going to have any large-scale roll-out of autonomous vehicles, they would be allowed only on roads—A and B roads, for example—that could be guaranteed to be maintained to a certain standard and to have proper white lines? Doing C and unclassified roads to those standards would involve huge costs, surely.

Dave Buttery: It would. To the point that I made at the beginning, autonomous vehicles need to work on all roads safely or, I presume, in theory, could be limited only to certain roads, as long as the technology allows you. Again, this is not my policy area, but safety is the overriding focus of the Government in this area. Unless the technology is safe to operate in all of the environments, we would take a precautionary approach and not enable that technology.



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Q90 **Chair:** Given that I have opened quite a Pandora's box with those two questions, perhaps, Dame Bernadette, we might have a little bit of correspondence on this.

Dame Bernadette Kelly: Yes, that is fair. As Dave says, this is slightly beyond the remit of this particular hearing and is going into the wider approach to EVs.

Chair: I understand that, but we have raised it, and people out there will be listening to this.

Dame Bernadette Kelly: I would be very happy to write to the Committee and update it.

Ruth Cadbury: The Transport Committee in the last Parliament did an inquiry on autonomous vehicles.

Chair: We would be grateful for a note that we could get into the public domain, and then maybe the Transport Select Committee or we can follow that up.

Dame Bernadette Kelly: I am happy to provide one.

Q91 **Chair:** The third point arising from Ms Paul's excellent questions is on gullies. Standing water on roads does a lot of damage to them, particularly when it is followed by frost, because the potholes come straight out. We have not talked at all today about cleaning gullies, but will you, in your evaluation of how much money local authorities need, take that into account?

Dave Buttery: Yes. I agree with you completely that clearing gullies is really important. Again, that is a revenue cost, so we get back into the revenue side of local authorities. The point that you make is exactly right. If you have good drainage, as Ms Paul said, you avoid the standing water, you avoid the damage in the first place, and you do not need to incur the capital cost. All of those things will be in our guidance. Clearly, we have less control over that side of the funding, so that is about the conversations that we have with MHCLG.

Q92 **Chair:** Finally, Dame Bernadette, we will want to examine, when there is a proper settlement out, what it is and what it is going to pay for. In order to do that, it would be really helpful if we could have a note. You have given us the figure of £4.5 billion, but I am still not quite clear which is capital and which is revenue, particularly in the local government bit of it.

Dame Bernadette Kelly: We can set all of that out for you.

Chair: If you could, that would be really helpful.

Q93 **Ruth Cadbury:** I just want to pick up something that I wanted to ask around a subset of the guidance on asset management that you may be providing. How is your approach to local road maintenance supporting your Department's other priorities? I am thinking particularly of walking



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and cycling.

Dave Buttery: I am personally very interested in the Welsh approach. They have a hierarchy, where footway is at the top in terms of maintenance. Wales is part of the UKRLG. That is the route through which we would update the code of practice. I am particularly interested in understanding whether that has worked, and the degree to which we should replicate that in England.

Ruth Cadbury: That is useful.

Rupert Furness: Fundamentally, as we said before, if we can sort out long-term, sustained maintenance funding, that helps the Government then deliver their active travel objectives, because you cannot walk on a pavement that is not properly maintained and so on. The two are linked.

Chair: This Committee has had hearings into active travel. I am absolutely certain that we will want to come back to that subject, and this will be a factor in it.

Q94 **Michael Payne:** Just building on Ruth's point about pedestrians and cyclists, I just wonder what consideration the Department is giving to safety for pedestrians and cyclists versus the drive for energy efficiency. There has clearly been a move towards LED street lighting. It forms part of your allocation for the conditions of roads. Clearly, safe roads are not just about the condition of roads but the lighting on the roads, particularly for pedestrians and cyclists.

One of the issues I get written to about a lot is that the drive towards energy efficiency with street lighting has negated the impact of that lighting, and people are feeling unsafe. I just wondered what consideration is being given to that. Clearly, making Britain's streets safer is a key mission for the incoming Government. Can that be part of your considerations going forward around the update to the guidance and so on?

Dame Bernadette Kelly: Yes. The other thing that I would say is that the Secretary of State confirmed at the Transport Select Committee last week that road safety in general is a top priority for her and that she wishes to take forward a road safety strategy. There will be many issues that we will want to consider in that, but it is absolutely a high priority and, as I say, all aspects of road safety will be looked at in that work.

Chair: Dame Bernadette, can I thank you and your fellow witnesses very much? We are a new Committee. We are still getting used to things, as I am sure you are, but thank you very much for bearing with us.

Dame Bernadette Kelly: Thank you.

Chair: An uncorrected transcript of this hearing will be published on the Committee's website in the coming days. The Committee will consider the evidence provided and produce a Report and recommendations in due course, which you will, no doubt, look forward to studying.



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Dame Bernadette Kelly: We will indeed.

Chair: Thank you all very much, and I thank Members very much.