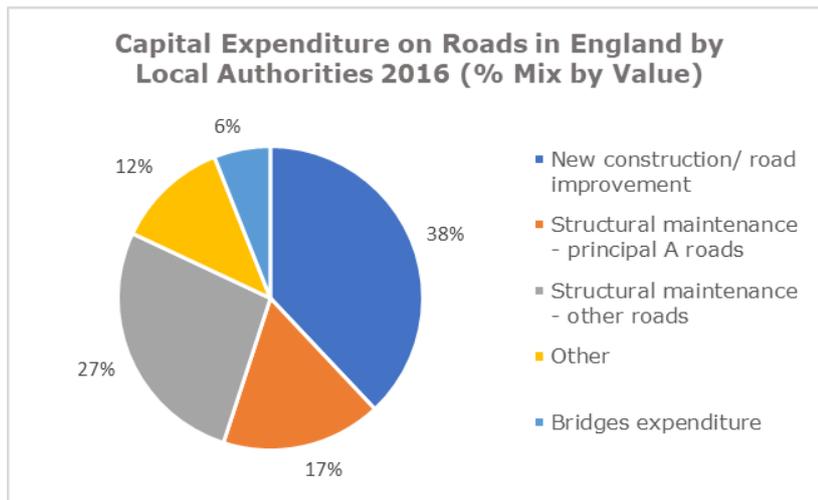




# PRESS RELEASE

## UK Highway Maintenance market worth more than £10bn in 2017

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The UK highways maintenance market is valued at more than £10bn, and makes up a major part of UK infrastructure spending. Expenditure by Highways England accounts for around a third of the market, while expenditure by Local Authorities in England on highways and transport in 2016/17 was approximately £4.4 billion. Structural maintenance accounts for a significant proportion of capital expenditure on roads by local authorities.

The Government has committed to major spending and investment programmes in the road network, driven by factors such as increased road congestion, rising population levels and deterioration of roads by adverse winter weather. Subsequently, the roads sector has been one of the market’s fastest growing in terms of expenditure in recent years. Major target areas include manufacture and application of bitumen macadam, and asphalt and bitumen emulsion, manufacture and application of surface dressing, aggregates for macadam and surface dressing, special surface solutions, road markings, reinstatement products, road studs and winter maintenance treatments.

Funding for *Highways England* is determined every five years via a Road Investment Strategy (RIS) set down by the Department for Transport. Through RIS 1, it aims to invest around £15bn in England’s road network over the 2015-2020 period, covering over 100 major schemes. In addition, the *Pothole Action Fund* is worth around £250m at present.

Within the last financial year, the Scottish Government budgeted more than £820m for expenditure on the country’s motorways and trunk roads, an increase of more than 18% compared to the previous year, while the Welsh Government’s 2016/2017 budget spent almost £52m on motorway and trunk road operations, with an additional £108.7m allocated for improvement and maintenance activities.

Private sector involvement in highways maintenance has steadily increased with around 50% of UK authorities now thought to use term maintenance contracts, many of which are 5-10 years in length, with some even longer. There has been an increase in major contractor involvement in this market with companies such as *Kier*, *Amey*, *Tarmac*, *LafargeHolcim* and *Balfour Beatty* taking many of the largest highways maintenance contracts. There have also been several mergers and acquisitions in the sector, and it is anticipated that other traditional construction companies will enter this market in future.

Going forward, investment in road construction and maintenance is projected to increase over the short to medium term, unless the UK economy suffers a major contraction. The Government also continues to explore ways of bringing more private capital into road building.

There are likely to be changes in the way certain highways are maintained. The next decade or so is likely to witness greater impact of technological advancements and 'smart' systems, as well as more consideration given to the environmental impact of highways maintenance projects. Changes in the way maintenance contracts are introduced are also expected.

*"Environmental and sustainability considerations are likely to play a greater role in future highways management and some of the products which now feature in road and highways maintenance have been created with these criteria in mind"* said Hayley Thornley, Research Manager at AMA Research. *"Examples include photovoltaic road surfacing and solar-powered road studs, greater use of natural and recycled materials and/or aggregates and micro-foamed asphalt which lowers carbon dioxide emissions."*

The UK road network of the future is likely to include more smart motorways, and currently 10 smart motorways are planned for construction. Demand is also likely to continue rising for products which can help to reduce the time spent on site and therefore minimise disruption to road users.

The '**Highway Maintenance Market Report – UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

#### **Editors Note:**

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

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