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The Mayor of London
Way to Go!
Post Point 22
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City Hall, The Queen's Walk
London SE1 2BR

Dear Mr Johnson,

In response to your recent publication, "Way to Go!", I am writing on behalf of the National Joint Utilities Group¹ (NJUG), the UK's only trade association representing utilities on street works issues.

Our focus is on promoting safety, best practice, quality and co-ordination of works as well as representing utilities in discussions with Government and other stakeholders on street work issues. As such, we have responded below to the key questions you posed at the end of the Way to Go! document. However, we felt it necessary to first address your remarks made in relation to utility companies and street works.

London's 'liveability'

Whilst defining the challenges you face, Way to Go! asserts that the daily commute is "perhaps the single most important factor in determining London's liveability – and therefore its attractiveness as a place to come to work and invest." NJUG believes that the safe, secure and stable supply of utilities such as water, gas, electricity and telecommunications is essential in determining the "liveability" of a city, and as a result has a significant effect on its economy. Indeed, much of the transport that aids people in their daily commute is dependent upon the consistent provision of these essential services. If roads are the skeleton of the country, utilities are the blood and the arteries of it.

Consequently, in order to maintain the high level of service that Londoners demand and receive, it is important that utilities are able to conduct the works necessary to ensure supply of their essential services. NJUG members undertake street works for four primary reasons – safety, security of supply, to connect or upgrade customers' supplies, or to divert apparatus to facilitate major transport or urban regeneration projects. We cooperate fully with TfL and the London Boroughs who have the duty to coordinate all the planned works taking place on London's roads. Regrettably, there will always be occasions where we are unable to coordinate street works with other utilities or local authorities for reasons of safety, practicality or conflicting priorities. We do very much regret any inconvenience that our essential works sometimes cause to the communities we serve, and are continually looking for ways to minimise such disruption.

'A War on Roadworks'

¹ NJUG's current members are Energy Networks Association (representing electricity and gas), Water UK (representing all water and wastewater companies), National Grid, Openreach, Virgin Media and THUS plc, and our associate members are Clancy Docwra, Skanska McNicholas, Balfour Beatty, Morrison, Morgan Est, NACAP, PJ Keary, First Intervention, Carillion and Enterprise. Including members through trade associations, NJUG represents thirty-eight utility companies

Way to Go! cites street works as “London’s biggest villain, the biggest enemy of smooth-flowing traffic”, going on to say that “utility companies (and others) need to understand the true cost of the chaos they cause by their unheralded excavations”. It should be recognised that these “others” include Highway Authorities, who carry out as many works as utility companies, and in many parts of London the pressures imposed on utilities by Highway Authorities to reduce durations are not applied to their own works. The “scale of disruption” utilities are blamed for is striking in its contrast to the figures provided by independent research. Professor Phil Goodwin identified in his study “Utilities’ Street Works and the Cost of Traffic Congestion” that “not more than about 5% of congestion is due to street works. The great majority of works cause delays of less than 20 seconds per vehicle”.²

Also under your banner of “A War on Roadworks” was the assertion that you “...will be able to stop works which would cause mayhem in our city”. Where works are necessary for safety, security of supply, or because of utilities’ statutory obligation to provide customers with essential services, this will simply not be possible. The obligation to customers is a major contributing factor to the number of street works, as although utilities may co-ordinate works months or even years in advance, once a customer demands access to their services then a utility has a statutory obligation to carry out works in order to connect the customer within the statutory timescales set by the industry regulators as part of the customer service levels. Utilities are of course, also required to carry out essential works as directed by Government Departments including the economic regulators and the HSE.

Comments made in your ‘Way To Go’ document suggest that the reasons for street works being “untended and blocking the traffic in the middle of the day” would be resolved by “a powerful penalty scheme”. Allowing street works to overrun without good reason is inefficient, as overrunning not only causes unnecessary disruption but costs utilities money, but there are sometimes unavoidable reasons for doing so. Safety is always a paramount concern and on occasion this, or indeed specific highway authority requirements to use certain materials, may delay works by demanding that a site is not worked upon whilst a particular material is setting, for example slow-curing concrete. Furthermore, for practical and operational reasons, resurfacing by a specialist team cannot always be carried out immediately following works, so there can sometimes be a small delay while the work site awaits resurfacing. As well as the continual improvements in efficiency demanded by the economic regulators, the existing Section 74 overstay charging provisions are already a powerful incentive to minimise overrunning of works, which since their introduction have resulted in a step-change in durations of works. To the best of our knowledge, Singaporean street works are subject to similar restraints. A “powerful penalty scheme”, rather than addressing further ways of reducing durations in a balanced manner, may potentially drive the wrong behaviours by discouraging utilities and contractors from using the most effective methods of operating, opting instead for a short term quick fix.

Voluntary Industry Measures

NJUG members do not wish to inconvenience the public and are already taking steps to ensure that their essential works cause minimal disruption. For instance, our members have implemented a number of voluntary measures to reduce congestion, including the widespread development and use of minimum-dig techniques wherever practical and cost-effective, reducing significantly the amount of time certain works take.

Another example is the London Advance Planning agreement, involving EDF Energy, National Grid, Thames Water and Southern Gas Networks, to identify and deliver opportunities to co-ordinate planned works. Furthermore our members are working closely with Transport for London and all London Boroughs as part of the Clearway 2012 project, to co-ordinate works on the Olympic Road Network.

In April 2007 NJUG launched its *Vision for Street Works*, which demonstrates our commitment to supporting the implementation of the Traffic Management Act 2004 as well as existing street works legislation and codes of practice. This was followed in 2008 by the launch of the inaugural NJUG Awards, culminating in a ceremony hosted by the Shadow Secretary of State Theresa Villiers MP and attended by the Transport Minister Paul Clark MP on 2 December, which allowed for the demonstration and sharing of numerous best practice examples. These examples and the awards themselves are concrete examples that our members are turning our *Vision for Street Works*³ into reality.

² February 2005, <http://www.transport.uwe.ac.uk/research/projects/NJUG-congestion.asp>

³ http://www.njug.org.uk/uploads/0810_NJUG_Vision.pdf

Increasing consumer bills

Such voluntary efforts clearly demonstrate the commitment of our members to reducing the disruption caused by street works wherever practically and reasonably possible. Regrettably, on occasions some inconvenience to other road users is unavoidable. However, in these circumstances, penalising utilities for maintaining essential services upon which every Londoner relies is unjustified, and will ultimately result in any consequent additional costs incurred being borne by utility consumers.

Our view is supported by recent research, published by Exor, which demonstrates that 91% of respondents (252 individuals from Highway Authorities and Utilities in England and Wales) believe that additional costs incurred by Permit Schemes will have to be recouped through increases in consumer bills, and 80% believe that street works permitting is simply a stealth tax for revenue generation⁴. All Londoners will inevitably shoulder the burden of an increase in utility bills.

Congestion charging and the costs of Permits

'Way to Go!' also make references and comparisons to the London congestion charge, which was accepted as a reasonable measure by many because the cost of contributing to congestion was directly levied against those who chose to drive in central London. The average Londoner will inevitably end up paying for Permit Schemes without experiencing any equivalent improvement in their quality of life. Utility street works are essential, not optional, and consequently the number of street works will not go down in the same way that the number of journeys on London's roads did following the introduction of the congestion charge.

The benefits of a Permit Scheme have not been clearly demonstrated, with 75% of respondents to the Exor survey saying that permitting would not improve management of infrastructure assets, and 78% arguing that it would not reduce congestion. In fact, a recent independent report by the Regulatory Policy Institute has argued that they are fundamentally unjustified.⁵

Given the increasing financial pressures of the economic climate, it seems unwise to impose a scheme based on apparently flawed research and presumptions of success that have not yet been explained. Ultimately Permit Schemes will increase *every* consumer's bill without decreasing volumes of utility and authority activities whilst traffic remains the same, not something the majority of Londoners would choose.

The success of Permits will hinge on successful co-ordination and correct noticing, aspects already included in the improved noticing regime only recently introduced by Government in April 2008, and which have not yet been reviewed, nor has their success been measured. Legislation (such as Permits) on top of this improved noticing regime was opposed by the House of Commons Transport Select Committee, which argues that the Department for Transport ought to "[concentrate] on making the existing systems work before embarking on another round of costly and disruptive legislation".⁶

Despite our concerns regarding permit schemes, NJUG is committed to working with TfL and the London Boroughs to assist with the development of a balanced and workable common permit scheme. To this end NJUG would welcome a commitment from the Mayor and Transport for London (TfL) to support permitting only on traffic sensitive streets, including TfL's strategic road network, where it will make the most impact. By doing so, utilities would be encouraged to prioritise such streets and make sure any works conducted on them are completed as efficiently and swiftly as possible thereby maximising the opportunity to make the scheme a success. If permits are imposed on all streets, such prioritisation by either TfL / local authorities or utilities and their contractors will not be possible due to the sheer volume of works and therefore permit application requests.

⁴ Exor survey: <http://www.exorcorp.com/page.aspx?pageId=364>

⁵ Review of the Regulatory Impact Assessments accompanying the introduction of the Traffic Management Permit Scheme (England) Regulations 2007, Tim Keyworth, June 2008 available at <http://www.njug.org.uk/category/3/pageid/73/>

⁶ Transport Select Committee - Local Roads and Pathways report 2002/03

'Way to Go!' questions for response

As requested, I will now address the specific questions posed towards the end of the Way to Go! document.

1. Do you generally support our principles for developing policy? If not what other principles should apply?

NJUG supports the Government's main objective of the Traffic Management Act 2004 (TMA), which is to minimise congestion. To this end, we have been very supportive of the improved street works noticing system the TMA introduced, and have been working collaboratively with Kent County Council on its proposed street works permit scheme which focuses on those streets where congestion is greatest and those works which cause the greatest disruption.

NJUG supports each of the principles within your policy document relating to the "War on Roadworks", however with regard to the principle of protecting the environment it is necessary to emphasise our belief that a misleading amount of responsibility has been apportioned to street works as a cause of congestion. The primary, and by far the most significant, cause of congestion is traffic volumes, and the concerns we have voiced continually since 2003 (to central Government, Parliament, Transport for London, and UK local authorities) regarding the Government's lack of justification for the introduction of Permit Schemes has been vindicated by research conducted by the Regulatory Policy Institute.⁷

NJUG believes that the most important element of formulating any policy must be the research it is based on. Full, thorough and accurate research into the causes of congestion must be conducted if it is truly to be tackled. Another important principle that must apply is the workability of a policy, especially given the crucial nature of the services that utilities are providing. Furthermore, 74% of respondents to the Exor survey felt that the Department for Transport had not provided enough information about the pros and cons of a Permit Scheme.⁸ These are issues of vital importance, and as such should be recognised.

Elsewhere in the Way to Go! document you highlight the importance of delivering the large transport projects necessary to delivering fast and efficient travel routes so essential to making London the number one destination for inward investment. These will not be delivered without utilities and contractors playing a key role in undertaking very large numbers of co-ordinated works to divert their apparatus and / or provide new capacity and services to enable the projects to operate (e.g. Crossrail where many thousands of utility diversions are necessary along the route).

2. Have we identified the key challenges facing transport in London? If not what other issues should we be considering?

NJUG believes that a major challenge facing transport in London is the fact that our roads lie above our gas and water pipes and electricity mains. Many of these pipes are sometimes over one hundred years old, and in need of repair, maintenance or replacement. Indeed, the major gas and water mains replacement programmes are requirements of the Health and Safety Executive / OFGEM and the Environment Agency / OFWAT respectively, and utilities are investing billions to ensure the safe and secure supply of the essential services on which we all rely.

We are surprised that there is no mention within your policy document of the Clearway 2012 project which focuses on co-ordinating road and street works on the Olympic Road Network in the run-up to, and during, the 2012 Olympic and Paralympic Games, and where we have been, and continue, to work constructively with Transport for London and the London Boroughs. Another key challenge is undoubtedly the number of vehicles driven each day on London roads, an issue highlighted in Professor Goodwin's report, which stated that "The main cause of congestion is that there is too much traffic for the available road capacity, and it would be a great illusion to think that the main solution lies in regulating street works".⁹

⁷ RPI Report, *op.cit.*

⁸ Exor Survey, *op.cit.*

⁹ "Utilities' Street Works and the Cost of Traffic Congestion" *op.cit.*

3. *We have emphasised an approach to encourage more people to walk and cycle. Do you agree with this?*

NJUG agrees with an approach that will encourage more people to walk and cycle where practicable to do so. The benefits to people and congestion levels, as well as to the environment, are clear and to be welcomed.

4. *Are there things you think the Mayor should do to improve transport in London which are not identified here?*

NJUG feels that, given the relatively recent (April 2008) implementation of an improved street works noticing regime (which has not yet been reviewed), it would be premature to make another change to the regime governing street works. No further action relating to utilities street works should be implemented until the effects of the April 2008 changes have been quantified and assessed against any additional net benefits expected from further changes i.e. the introduction of a permit scheme. However, while this remains our position we understand the pressure to introduce permit schemes and the importance of ensuring that any such schemes are implemented in a way that maximises the likelihood of them effectively delivering their objective. To this end we remain very keen to work with TfL and London Boroughs in a spirit of cooperation. Our experience of working with Kent County Council on their Permits proposal has, by Kent's own admission, produced a far more effective Scheme.

As mentioned above, the NJUG London Advance Planning Scheme has resulted in effective co-ordination of a number of gas, water and electricity planned works, and indeed the major planned works are already entered in TfL's London Works system and so the information is readily available for TfL and authorities to use to better co-ordinate works. However we would welcome a commitment from the Mayor / Transport for London and London Boroughs to join with utilities by sharing their own planned road works and entering this data so that these too could be co-ordinated. This would most definitely bring greater reductions in congestion, given that authority works account for 50% of works in the street.

We would welcome the opportunity to update you further in person and answer any queries you may have. If this would interest you, please do not hesitate to contact the NJUG secretariat team on 0207 340 1423 or at info@njug.org.uk.

Yours sincerely,



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