

STREET WORKS

Powers revived to charge overrun levies

Ministers act as cost of disruption caused by utilities approaches £5bn—By Lee Baker

Utilities are facing charges for overrunning work once more, after ministers accepted the need to tackle disruption which officials consider costs the economy at least £5bn.

The Government, issuing its third consultation in two years on reviving Section 74 powers of the New Roads and Street Works Act, came down firmly on the highways side of the trenching divide.

Overrun charges will apply to all roads, including the more lightly-trafficked, and 'off-carriageway works' will not be exempt, as previously proposed.

Ministers accepted highway authorities' case that not allowing charges for most works on footways would cause disputes, create a two-tier system, and in any event, apply to relatively-few works.

They expect the powers – rendered dead in the water by a 2003 court ruling which found the regulations muddled – to be used again from next April.

The Department for Transport said work by consultant Halcrow suggested the powers would reduce overruns by at least 5%, with journey benefits for motorists worth £825M over 20 years.

Controversially, however, the DfT did not include the cost to utilities of paying Section 74 overrun charges, arguing that 'if no works overrun, no charges can be levied'. Utilities would be able to reduce overruns by investing £87M in additional planning, it claimed. The department acknowledged, however, that if overrunning works remained at the same level as in 2003/04, utilities' actual liability would be £291M a year.

Living Streets welcomed the DfT's move, highlighting that Halcrow had not calculated the disrup-



Mark Wahlwender

Trench warfare: Overrun charges will apply to all roads

tion works caused to pedestrians, cyclists or public transport users.

But the National Joint Utilities Group predicted 'a perverse incentive for highway authorities to not work in partnership with utilities'.

Richard Wakelen, NJUG chief executive, said: 'The DfT is saying it wants charges to be applied widely, so the question has to be asked, "Is this a revenue-raising exercise?"'