



**NJUG statement on Government's plans to increase penalties for street works**

[Quotes can be attributed to Les Guest, Chief Executive Officer, NJUG Ltd.]

NJUG fully recognises that utility companies, like highway authorities, have a key role to play in reducing the unfortunate disruption that street works can sometimes cause. However, NJUG is disappointed that the Government plans to impose further regulatory changes upon the utility industry when the effectiveness of current changes and new regulations have still not been assessed.

NJUG is concerned that there continues to be a focus on penalising utilities and little effort to drive improvements in works carried out on behalf of highway authorities - which are responsible for half the disruption attributed to street works. If this is not addressed, the public will still not perceive any improvement. NJUG calls for a robust cost benefit analysis to be carried out to determine whether the proposals announced today by the Department for Transport (DfT) would deliver net benefits, over and above improvements expected from measures that are already due to be implemented over the next few months, such as street works permit schemes. This is particularly important given the potential for large increases to consumer bills from higher utility operating costs. NJUG is also surprised that the government appears to be prejudging the outcome of the consultation on their proposals given that the announcement today declares an intent to consult **and** implement regulatory measures.

NJUG does not object to the principle of **overstay charges** as a way of incentivising utilities and their contractors to finish street works on schedule. However, no evidence has been provided to demonstrate the need for such a massive increase in charges, indeed, previous work undertaken by DfT consultants Halcrow showed that following the introduction of overstay charges work durations dramatically reduced. A compelling case, based on robust information, will need to be provided by the government when it consults on this measure. NJUG has recently appointed a Performance Director to collate data across the utility sector, which will allow the case for increasing overstay charges to be assessed on the basis of robust information.

NJUG continues to be fully committed to reducing the unfortunate disruption sometimes caused by utility works. However, NJUG is concerned that proposals to introduce **lane rental** could greatly increase costs for utilities and their customers, with little or no benefit. NJUG is not aware of any research commissioned by Government to support such a policy, and the last lane rental trials commissioned by Government in 2003/04 indicated large increases to consumer bills for very little reduction in the duration of works. At such a difficult economic time, NJUG firmly believes that any additional costs on consumers must be supported by robust research and thorough cost / benefit analysis. Similarly, Government have not given any indication that they have involved economic regulators in their decision to pursue a system that would increase the operating costs of utilities, and ultimately raise consumers' bills.



NJUG is keen to improve the way industry communicates details of its works both before and during operations, and therefore welcomes the Government's commitment to produce a **good practice guide for utility companies and highway authorities on improving communications**. A need for such improvements has been identified by the general public<sup>1</sup> and is fully supported by NJUG, which will be running a workshop with road user groups, resident associations and disability groups in the new year to brainstorm how and where utilities can improve their communications. NJUG praises the Government's recognition that highway authorities, which are responsible for fifty percent of all works in the street<sup>2</sup> but over which there is very little regulation, also need to improve their communication practices.

To spearhead the organisation's work on communications, NJUG recently revised its *Vision for Street Works*<sup>3</sup> to include a vision that the public are kept fully informed on all aspects of utility works. At NJUG's 2009 Winter Reception and NJUG Awards good practice in the industry was celebrated, and the Minister for Transport Sadiq Khan MP praised NJUG's efforts at improving standards within the industry. In the two years since the launch of the Vision, NJUG has publicised details of forty-four good practice case studies.

NJUG supports the Government's plans to publish **advice for councils on drawing up applications for permit schemes**. This should be built upon the lessons learnt from the Kent County Council, London and Northamptonshire permit schemes, the three to be publicly announced to date. This should include a recommendation to focus on strategic routes at traffic sensitive times, allowing utilities the ability to prioritise their works. Government must also recommend that councils undertake thorough and continuous consultation with industry throughout the development of any permit scheme to ensure any proposals are robust, workable and effective at reducing disruption. This has proved very successful in Kent, whose scheme is due to go live on January 25<sup>th</sup> with the support of those utilities affected, and NJUG is pleased that a similar approach is being pursued in Northamptonshire.

NJUG welcomes the agreement from Government to move the **revised inspections regime** forward. Utilities have been heavily involved in the development of the revised regulations, and see Government's announcement as long overdue given the urgency attributed by the Minister for Transport to street works over the last six months.

It is disappointing that Government efforts continue to focus on penalising utilities for carrying out essential works and fail to look for incentives to improve quality and reduce disruption. Similarly, it is concerning that Government has not shared or discussed their proposals with HAUC (UK)<sup>4</sup> prior to

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<sup>1</sup> See 'ComRes survey into public opinion of street works' <http://www.njug.org.uk/category/3/pageid/73/>

<sup>2</sup> See "Utilities' Street Works and the Cost of Traffic Congestion" by Prof Phil Goodwin, February 2005, available at <http://www.njug.org.uk/category/3/pageid/73/>

<sup>3</sup> Available to download at <http://www.njug.org.uk/category/3/pageid/8/>

<sup>4</sup> The Highway Authorities and Utilities Committee UK, known as HAUC(UK), works with the Department for Transport on the development of street works regulation. See <http://www.hauc-uk.org.uk/> for further information.



the announcement being made. However, NJUG looks forward to working closely with the Department for Transport on their consultations, as well as all affected stakeholders, to reduce the unfortunate disruption that can sometimes be caused by essential street works.

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### **Notes to Editors**

For further information about the National Joint Utilities Group please go to [www.njug.org.uk](http://www.njug.org.uk). To arrange an interview please contact the NJUG press office at [pressoffice@njug.org.uk](mailto:pressoffice@njug.org.uk) or telephone 020 7340 8737.

### **About The National Joint Utility Group (NJUG)**

NJUG is the only UK industry association representing utilities and their contractors on street works issues.

Our full members include the Energy Networks Association (representing electricity and gas companies), Water UK (representing water and waste water companies), National Grid, Openreach, and Virgin Media. Our Associate Members are Clancy Docwra, Skanska Utilities, Balfour Beatty, Morrison Utility Services, Morgan Est, NACAP, PJ Keary, First Intervention, Carillion, Enterprise, Laing O'Rourke and AMEC. Including members through trade associations, NJUG represents thirty-nine utility companies.

NJUG is the utility arm of the Highway Authorities and Utilities Committee representing street works in England, Northern Ireland, Scotland and Wales known as HAUC (UK). Please see <http://www.hauc-uk.org.uk/> for further information.

NJUG's focus is on promoting best practice, safety, quality and co-ordination of works as well as representing utilities in discussions with Government and other stakeholders on street work issues.

Utilities 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. Examples include Crossrail, the 2012 Olympics and Paralympics, tram projects, or new urban and housing developments.