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Boris Johnson
Mayor of London
London Transport Strategy Consultation
MTSResponse@gla.gov.uk

Dear Mr Johnson,

Thank you for giving NJUG the opportunity to respond to your Transport Strategy for London. As you will be aware, we are the only UK trade association representing utilities and their contractors on street works issues, and we continue to work hard to deliver ongoing improvements to the way in which street works are undertaken, both as part of the London Code of Conduct and through other nationwide initiatives driven by our *Vision for Street Works*. We are therefore pleased to make the following comments on behalf of our members' on your draft transport strategy.

On behalf of NJUG, I would like to voice our support for the level of importance you give our capital's transport system. A reliable road network is essential to all London businesses including utilities and their contractors, and as you recognise within your document, congestion represents a real cost to industry. However, a key concern of NJUG's which you will see emerging throughout our consultation response is that any further regulations you may wish to impose upon utilities in order to minimise disruption and congestion must demonstrate a robust cost benefit analysis. Any initiatives such as permitting or lane rental need to be substantiated by a business case model, demonstrating clear worth and overall benefit over and above the only recently introduced improvements implemented under the Traffic Management Act 2004. I'm sure you would agree that one would struggle to find support for an end result where costs on businesses and domestic customers increased, with no additional benefit in return. As we highlight in our response, NJUG's recommendation is that if you move ahead with your plans to implement lane rental, the policy should be trialled only on strategic routes at traffic sensitive times where it may have an impact. The result must be compared against current work volumes by authorities and utilities and the associated work durations. Findings must also be compared against the increase costs to utilities and consumers. We would of course wish to be involved in supporting the development of such a trial, the findings of which would need to be compared against the increased costs to utilities and consumers.

Below are our comments, presented in response to points raised in Chapter Five, *Transport Proposals*, of the strategy document. I would welcome an early opportunity to go through these with your team. I would also appreciate the chance to meet you in person to reassure you of our ongoing commitment to reducing the regrettable disruption that sometimes occurs as a result of street works, and to update you on the many initiatives we have underway, both as NJUG, and also working with our highway colleagues, to minimise the impact of street and road works.

Yours sincerely,

Les Guest
CEO, National Joint Utilities Group Ltd

Cc Rt Hon Sadiq Khan MP, Minister for Transport
Cc Theresa Villiers MP, Shadow Secretary of State for Transport
Cc Caroline Pidgeon AM, Chair, GLA Transport Committee
Cc Patricia Hayes, Director of Road and Vehicle Safety and Standards, Department for Transport

NJUG response to London Mayor's Transport Strategy

Chapter Five: Transport Proposals

Proposal 30 (p.150)

NJUG welcomes the Mayor's plans to invest in intelligent traffic control systems and the infrastructure to support it, in order to smooth traffic flows, manage congestion and improve journey time reliability. New and innovative technologies are being continually developed in the fields of street works and transport management, and their benefits should always be considered, subject to safety, operational and cost constraints.

NJUG is pleased to read of the Mayor's commitment to working with, not against, utilities to reduce the impact of their street works on traffic congestion. Unfortunately, to date, despite many efforts, NJUG is yet to secure a meeting with the Mayor and has struggled to open clear and honest channels of communication with his office on his street works related policies. Given this commitment within his Transport Strategy, and NJUG's position as the only UK trade association representing utilities and their contractors on street works issues, we hope he will now consider meeting with our senior Directors to discuss his plans (see below) and our concerns.

Spotlight on: London permit scheme for road and street works (p.151)

It is concerning to read the Mayor's view that there is "little or no regulation" of street works in London. This is not the case, given the range of provisions open to TfL and London Boroughs under both the New Road and Street Works Act 1991 as well as those only recently introduced under the Traffic Management Act 2004. Given the inclusion of this within the strategy NJUG would strongly recommend TfL representatives meet with industry and the Department for Transport as soon as possible in order that they can be made aware of available provisions. To this end, again NJUG hopes the Mayor will agree to a meeting with NJUG's Chief Executive to discuss the sector and the current regulations in place. These include:

- The New Roads and Street Works Act 1991 (NRSWA) (since January 1993) requiring street authorities to co-ordinate works of all kinds to minimise the inconvenience to persons using the street;
- An enhanced robust noticing regime, including advanced notice of planned works (since April 2008);
- Overstay charges up to £2,500 a day, if utilities overrun agreed timescales (increased to this level in April 2008);
- Fixed Penalty Notices introduced for a range of offences (since May 2009);
- Permit Schemes, allowing local authorities to apply conditions to their own and utility works, thereby giving them greater control over when works take place and thereby potentially even greater opportunity for more co-ordination of road and street works (commencing in January 2010).

Also, in 2009 the London Mayor agreed a Code of Conduct with utilities implementing additional measures to reduce congestion. Utilities have been working hard to continue to deliver and where necessary, implement new measures to make it a success. NJUG representatives have since met with the Mayor's team to assess the success of the code and a number of improvements have been identified. Based on the success, NJUG is now looking to roll out an UK-wide Code of Conduct, to raise standards further across the country.

To date there has been **no review** by national or local government of the regulations in place, and therefore no assessment exists of the successes or failures. Given the burdensome and costly nature of these regulations, those further measures the Mayor proposes within his document, and of course

the inevitable increase to consumer bills as a result, NJUG would urge Transport for London (TfL) to commission open and robust research by an independent third party to assess the effectiveness of current regulations along with continued analysis of the effect of the London Code of Conduct and recent “workathons”, before any further measures are introduced. Such an effort could identify areas where processes can be improved to decrease disruption and produce a business case based on costs and benefits relating to any further proposals.

It is also worth highlighting at this point that NJUG’s *Vision for Street Works* and annual Awards are driving up standards and acting as a catalyst for real change. Through last year’s and this year’s awards we have been able to share over 100 case studies of good practice. Through a series of workshops focusing on the key areas of co-ordination, communication, working with local authorities, assessing and reducing the impact of works on the surrounding and travelling community and first time reinstatement, we have been exploring these examples in more detail, enabling cross-fertilisation of ideas and driving wider adoption of best practice.

Finally, at the Mayor’s request, NJUG is actively engaged with TfL and London Boroughs in implementing voluntary measures to deliver the Clearway 2012 project, which will co-ordinate works and minimise / embargo road and street works on the Olympic Road Network in the run-up to and during the Olympic and Paralympic Games 2012.

Within this section of the Mayor’s strategy, utility works are quoted as imposing unacceptable costs in terms of congestion. However, despite requests made, NJUG has not seen any evidence that substantiates this point. Equally, independent research indicates that 50% of works in the highway are undertaken by local authorities, and the other 50% by or on behalf of utilities, while also demonstrating that together these only account for 10% of overall congestion¹. Given that 5% of congestion is attributable to utility works, a 20% improvement for example will result in only a 1% reduction in congestion. Therefore, whilst utilities remain committed to continuing to reduce the impact of their works, disruption will not be significantly reduced until all works promoters are adequately incentivised to improve the standards of their own works on an equal basis. In addition, Government must address the volume of traffic on the roads, and the level of accidents that occur.

Furthermore, the strategy document suggests that utilities are responsible for deterioration of the roads as a result of street works. NJUG is keen to assure the Mayor and his advisers that we are committed to driving up standards of reinstatement and that utilities work to the agreed standard of road reinstatement, as set by Government in liaison with both utility and highway authority representatives. This standard has recently been reassessed and consulted on with a view to updating the specification.

In regard to the London common permit scheme itself, NJUG is committed to ensuring the scheme is robust, workable and effective in positively affecting congestion levels. However, to ensure this is possible, assessment processes must be put in place now to both establish the base line of disruption attributable to road and street works and measures to review the scheme’s benefits over and above existing regulatory measures. If this is not done, there is a danger that the permit scheme will prove to be simply another stealth tax on businesses and domestic customers without them receiving any appreciable benefits in return.

Finally, the strategy document states that permits “would help to ensure that any company wanting to dig up London roads causes as little disruption to Londoners as possible.” NJUG is keen to reinforce that utilities only ever excavate the road for essential reasons when there is no alternative. These occasions are driven by one of four reasons:

1. Safety;
2. Security of supply;

¹ "Utilities' Street Works and the Cost of Traffic Congestion" by Prof Phil Goodwin, February 2005

3. To connect or upgrade customers' supplies; or
4. To divert apparatus to facilitate major transport or urban regeneration projects. For example, Crossrail, the 2012 Olympics, tram projects, or new urban and housing developments.

Additionally, utility service providers make extensive use of minimum-dig techniques, and (as the Mayor will be aware from the review of the London Code of Conduct to date) use extended working where appropriate to further reduce the size and duration of works.

5.6.3 Minimising the impact of planned interventions on the road network (p.152)

The Mayor's Transport Strategy states that customer surveys "show a low level of satisfaction with how" utility works are managed and the time taken. NJUG would welcome an opportunity to view the findings of the research referenced in order to establish areas where further improvements can be made. In an independent ComRes survey undertaken at the start of 2009, which interviewed 1,000 British adults, the findings indicated a high level of appreciation from members of the public as to the essential nature of utility works. Interestingly, they also suggested that more effort could be made in communicating the nature and duration of works before and whilst they are underway. As you may know, work is ongoing looking at establishing common signage for major gas, electricity and water street works, but in addition NJUG will be holding a workshop early in 2010 with resident associations, road user groups, disability groups, local authorities and industry to discuss further ways to improve standards and methods of communication.

NJUG welcomes TfL's commitment to facilitating the co-ordination of works as part of its Network Management Duty (under the Traffic Management Act 2004). However, we remain disappointed that TfL have to date had very limited successes at fulfilling this duty. Several local authorities across the UK have had great success at organising large scale 'workathons', monopolising any opportunities of road closure to undertake as many sets of works as possible, resulting in significant reductions in duration, site occupation and disruption. While TfL have had similar successes in the past, these have been sporadic and are not, unfortunately, regular occurrences. When they have occurred however, they have been very successful and we would welcome the opportunity to explore greater use of this approach, along with much greater use by TfL of the information already provided by utilities on major planned works up to two years in advance (including the long-term gas and water mains replacement programmes and the electricity cable replacement programmes).

NJUG hopes that the London permit scheme will provide the impetus for TfL and London Boroughs to use the information provided by utility service providers, and to work with them and improve co-ordination of works on the busiest streets. This coupled with a flexible and co-operative approach on works on minor roads will deliver by far the greatest benefits in terms of reducing disruption.

Finally on this section, the document states that permits would allow the imposition of penalties should utility works overrun. This point should be clarified since utilities are already heavily fined through overstay charges (Section 74 of the New Roads and Street Works Act 1991) if their works overrun timescales agreed with local authorities.

Proposal 31 (p.152)

This proposal detailed within the Mayor's strategy involves three elements aiming to "minimise the impact of planned interventions on the road network, on the movement of people and goods", firstly by the utilisation of 'LondonWorks' to "provide a way of improving street works planning and co-ordination". NJUG welcomes this commitment as an aid to assist TfL and the London boroughs in fulfilling their Network Management Duty under the Traffic Management Act 2004, to coordinate works on their network. Given that 50% of all works in the highway are local authority, and in order that 'LondonWorks' prove to be an effective aid, NJUG would encourage TfL and all boroughs to upload their own planned works to the website, so that any opportunities for co-ordination can be actively pursued.

The second element is the development of a permit system for works. As mentioned earlier, NJUG is committed to ensuring that the scheme is robust and effective at positively reducing congestion levels. However, to ensure this is possible, assessment processes must be put in place to review the scheme's benefits. It is also vital to ensure that the improvements being delivered under the other Traffic Management Act 2004 provisions are measured and that any benefits attributable to, and clearly identifiable as resulting from permits can be clearly allocated to the scheme. If this is not done, there is a danger that the permit scheme will prove to be a stealth tax on businesses and consumers.

Similarly, to ensure the permit system is effective from the start and aids co-ordination, it is essential that the scheme is properly trialed before it is implemented in practice. Without such a process, work processes, invoicing, work management and IT systems cannot be tested fully. This is vital to ensure common understanding, to avoid unforeseen flaws, and to allow sufficient training for local authority or utility staff. NJUG is committed to making permits work in practice, and at reducing the unfortunate disruption sometimes caused by utility operations. As with 'LondonWorks', NJUG is fully supportive of permits, particularly if they will assist TfL and London Boroughs in fulfilling their Network Management Duty and help deliver real additional benefits to London's travelling public, whilst ensuring that Londoners can continue to rely on secure, reliable and affordable utility services.

Finally, 'Proposal 31' commits to developing a concept of 'lane rental' for utilities. This concerns NJUG for a number of reasons, in particular due to the unavoidable cost of a lane rental policy that would ultimately increase consumer bills with no proven benefit at a very challenging economic time. The combination of existing and newly introduced measures have already reduced occupation times considerably, and permit schemes have the potential to further improve when works take place and further facilitate joint or concurrent occupation. Yet all works are essential and major works programmes are needed to replace / enhance gas, water and electricity networks, and deliver initiatives such as Digital Britain and the transition to a Low Carbon Economy. Therefore volumes will not decrease for the foreseeable future. Therefore, before implementing any policy of lane rental full discussion must be held with the economic, safety and environmental regulators, who set out the financial, safety and environmental regimes within which utilities must operate. Additionally, utilities provide services in support of wider Government policy objectives including major urban regeneration and transport schemes such as the London Gateway and Crossrail. Therefore, our collective focus must be on better co-ordinating and communicating road and street works. Lane rental, applied on a wholesale basis, will not deliver any additional benefits to further this aim, and could indeed drive the wrong behaviours in terms of safety and quality of works. By contrast, overstay charges incentivise utilities to work as efficiently as possible in order to keep to agreed timescales, thereby avoiding a daily charge.

Indeed, Government trials of lane rental were undertaken in 2003/04 in both Camden and Middlesbrough, with the findings indicating no significant decrease in work duration times. This is due to the fact that utilities only undertake street works when there is no possible alternative, and when it is essential to access apparatus to upgrade, repair (for safety purposes), maintain security of supply, connect new customers (or enhance existing customers' supplies) or to divert apparatus for major urban regeneration or transport schemes (e.g. Crossrail). The trials however did show a large increase to consumer bills, with one utility recording a 433% increase.

As above NJUG would like to reiterate that there is already a large amount of regulation on the street works sector, although no assessment has yet been made available to demonstrate its effectiveness. For example:

- April 08 – Improved noticing requirements implemented, including increased advanced notice of planned works;
- April 08 – Increased overstay charges implemented, up to £2,500 a day, if utilities overrun agreed timescales.
- May 09 – Fixed Penalty Notices introduced for a range of offences to improve quality of notices and works;
- 2009 – Utilities sign Code of Conduct with London Mayor, implementing additional measures to

- reduce congestion;
- 2010 – Permit Schemes introduced, allowing local authorities to apply conditions to their own and utility works, thereby giving them greater control over when works take place.

As none of the above regulatory measures have yet been assessed, there is no indication that further regulation such as a policy of lane rental would have any effect on congestion or overall disruption above that delivered by existing measures. Before any decision is made on lane rental, assessment of the current regulatory regime must be made, combined with a thorough cost / benefit analysis and operational trials of any proposal. The only related research to date, the Government trials in 2003/04, did not demonstrate any clear benefit to road users, particularly when measured against the large increase to consumer bills.

Finally, utilities already collectively pay in excess of £1.2 billion in cumulative rates to central Government each year to keep their apparatus within the streets, and lane rental would be simply another flat charge on top of this which would ultimately increase consumers' bills. Unfortunately, utilities have no influence over the final destination of cumulative rates once they are paid to central Government, and therefore there can be no guarantee that these rates are spent to the benefit of roads and road users.

5.6.4 Minimising disruption from unplanned events (p.153)

NJUG welcomes the Mayor's appreciation of the fact that unplanned events such as emergencies (e.g. gas leaks, burst water mains etc) may occur at any time. NJUG also agrees that the impact of these can be mitigated through pre-arranged scenario planning and effective real time traffic management. Of course the major replacement / investment programmes currently being undertaken across London are already having an impact on the number of emergencies, which will reduce further as the percentage of network replacement completed increases.

How emergencies are managed has a direct impact on the disruption incurred. Improving the accessibility and availability of customer information about when, and how to travel, given the impact of incidents and interventions on the network, can improve Londoners' ability to move around the city reliably. We look forward to working with TfL and London Boroughs to explore how communication can be further improved, and specifically how existing TfL / Borough and other London communication channels can be further exploited.

Proposal 32 (p.153)

NJUG welcomes the Mayor's proposal to work with the London boroughs and other stakeholders, in order to improve the real time management of unplanned interventions and incidents on the road network. NJUG would request that such endeavours are taken forward in consultation and co-ordination with utilities and their contractors, who can contribute valuable expertise and experience.

Technology development (p.153) / Proposal 33 (p.154)

NJUG supports the Mayor's focus on developing the next generation of technological advances to improve the quality and efficiency of London's traffic management system. New technologies can potentially open up possibilities of cost savings and improvements in service delivery. However, full operational and scenario-based trials, in co-ordination with affected stakeholders such as utilities and their contractors, must be undertaken before new technologies are employed and relied upon.

5.6.6 Development of the road network / Proposal 34 (p.154 / 155)

NJUG welcomes the Mayor's commitment to consider road scheme enhancement proposals based on the following criteria:

- The contribution to London's development / regeneration;

- The extent to which congestion is reduced;
- How net benefit to London's environment can be provided;
- How conditions for pedestrians, cyclists, public transport users, freight and local residents can be improved;
- How safety for all is improved.

NJUG also commends the Mayor's belief that all proposals must show how any disbenefits will be mitigated.

NJUG would ask that the Mayor of London and Transport for London take a similar approach when considering any transport-related proposal, for instance when considering lane rental. There has been no research neither undertaken nor commissioned by Transport for London which demonstrates a clear cost / benefit analysis of lane rental. If compared against the above criteria, the following could arguably be deduced:

- London's development / regeneration would suffer since there would be an inevitable rise in developer, and ultimately consumer bills (as demonstrated in the 2003/04 Government trials);
- Congestion would remain largely unaffected since all utilities' works would still need to take place as before. Indeed, the Mayor has requested utilities bring forward or put back all street works in order that an embargo can be instigated in the run-up to, and during the 2012 Olympics, so an increase in works at TfL's request will occur between now and the Games;
- There will be no increase in benefit to London's environment since works will still need to take place as before. If incentives are placed on working out of hours or at weekends to avoid lane rental charges, London's environment could in fact feel a negative effect with significant increases in noise pollution and disturbance at sensitive times, which would likely be unacceptable to local authority Environmental Health Officers;
- There would be little or no improvement for pedestrians, cyclists, public transport users, freight or local residents since works would still need to take place. These stakeholders should however feel the benefit of those permits applied to major works on the busiest streets, if they are successful at enhancing TfL's ability to co-ordinate operations on their network. Similarly, utilities are currently implementing improvements in communication practices before works take place and during operations, as well as utilising new methods such as local media and the Internet. Again, these initiatives will deliver clear benefits to the stakeholders referenced, as opposed to lane rental, which will have little or no effect, as evidenced by the 2003/4 trials;
- NJUG is concerned that safety of street works could in fact be jeopardised if a policy of lane rental is implemented. Regulators force utilities to currently work as economically efficiently as is practical, whilst maintaining high quality, safety and environmental standards. However the further burden of lane rental, for no proven benefit, could force utility service providers to compromise safety levels by trying to complete operations in less time than is safe, practical or environmentally sustainable to do so, in order to reduce their lane rental charges. NJUG's number one priority is safety, and for this reason, along with the others that have been mentioned previously, NJUG cannot endorse lane rental.

5.6.7 Maintaining road network assets for safety and efficiency (p.155) / Proposal 35

NJUG fully agrees with the Mayor's belief that London's roads, pavements, and traffic control systems represent valuable public assets that need to be maintained in a state of good repair to ensure "the safe and efficient operation of the network, as well as for quality of life and economic productivity". As a result, NJUG members must ensure that they reinstate the road to the agreed specification following any street works operation. This standard is that which has been agreed with local authorities and central government, as well as the utility industry. NJUG and its members are committed to ensuring that all works are conducted as efficiently as possible so that any excavations on London's network are reinstated to the correct specification as soon as possible. Any failure to comply should be dealt with through the appropriate mechanisms available to local authorities, and rectified as soon as possible.

5.25.2 Background to Congestion Charging in central London (p.248/249)

NJUG contests the assertion made within this section that congestion levels have returned to the pre-Congestion Charge level due in part to road space being reduced by street works. Despite numerous requests made by NJUG to the Mayor for research that supports such claims, frequently made by Transport for London, no documented evidence has been provided. Previous independent research has demonstrated that utility works are only responsible for 5% of overall congestion levels, which would indicate that street works alone could not be responsible for such a large increase in congestion levels.

It is worth noting that there is likely to be an increase in utility works over the next year or so at the request of the Mayor of London, as part of the Clearway 2012 project. This is to ensure that no planned road or street works are conducted, and emergency street works are minimised, in the run-up to and during the Olympic Games, with an embargo being imposed from as early as January 2011 until after the Games has finished. As a result, planned gas and water mains replacement programmes (underway for environmental, safety, and security of supply reasons) are being brought forward to fulfill the Olympic Delivery Authority's (ODA's) objective, being delivered through the ODA's Strategic Transport Partner, TfL. Therefore, if this increase in the number of works has a detrimental effect on congestion (although no evidence exists to suggest it will), then utility service providers should not be held accountable for delivering a revised programme of works in support of the ODA's and TfL's objectives.

5.25.5 Mitigating the impacts of removing the Western Extension (p.251)

Since TfL already has powers to enable them to coordinate works in the Western Extension area (and indeed across their whole network), NJUG does not believe that the London Permit Scheme will have any recognisable positive difference upon congestion levels. However, NJUG fully supports the implementation of a workable permit scheme, and would like to reiterate its offer to assist TfL and London Boroughs in implementing a scheme that will assist them in fulfilling their Network Management Duty under the Traffic Management Act 2004, without placing unnecessary costs and administrative burdens on utility service providers, which ultimately increase consumers' bills.

-Consultation response ends-

About The National Joint Utility Group (NJUG)

NJUG is the only UK industry association representing utilities 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.

URL: www.njug.org.uk