National Joint Utilities Group Ltd
111 Buckingham Palace Road,
London
SW1W 0SR
info@njug.org.uk
020 7340 8737
www.njug.org.uk

29 September 2009

Local Democratic Renewal Consultation
Zone 4/G6
Department for Communities and Local Government
Eland House
Bressenden Place
London, SW1E 5DU
localdemocracyconsul@communities.gsi.gov.uk

NJUG response to Department for Communities and Local Government consultation on "Strengthening local democracy"

Dear Sir / Madam

On behalf of the National Joint Utilities Group[1] (NJUG), I am pleased to respond to the Department for Communities and Local Government consultation on 'Strengthening Local Democracy'. NJUG is the only UK trade association representing utilities and their contractors on street works issues.

Ensuring local government has effective powers to scrutinise those services operating within their areas is necessary in order that UK citizens are supported and receive services to a standard they deserve. As a result, NJUG can appreciate Government's interest in proposed increases to scrutiny powers to include services such as utility operators, since gas, water, electricity and telecommunications are all essential apparatus for daily life.

Utilities already work under very strict conditions laid down by Government and its regulatory bodies and can only work in the public highway with the consent and cooperation of local authorities who have been legally responsible for co-ordinating street and road works since 1993.

Making sure utility works are carried out to a high standard is central to NJUG's work. Indeed, delivering consistent high quality works is a leading mission statement within our *Vision for Street Works*, first published in 2007. This was substantiated by the launch of the NJUG Awards last year, which resulted in over forty submissions from around the UK detailing examples of good practice within the utility street works industry. We are holding our second Awards ceremony in the House of Commons on 1st December 2009, at which the Rt Hon Sadiq Khan MP, Minister for Transport, has agreed to speak.

A key aspect of NJUG's work, and another statement within our *Vision*, is operating in 'partnership with local authorities to minimise disruption'. As a result, our members work very closely with local authority colleagues on a day-to-day basis over works taking place on their network. Indeed, under the Traffic Management Act 2004, local authorities have a Network Management Duty to coordinate works on their network wherever possible, in order to reduce the disruption which can sometimes unfortunately be caused. Some local authorities have succeeded in doing this extremely well, co-ordinating utility works with their own and those of other undertakers, so for example road closures can be taken advantage of and the overall duration of works reduced. Unfortunately other local authorities have not been so successful, nor eager to undertake this statutory duty.

NJUG would therefore urge Government to consider parity if scrutiny powers are extended. Only by doing so will officials be presented with an overall picture of all the facts. Furthermore, fifty percent of all works in the highway are conducted by local authorities and therefore local government scrutiny committees should also look to investigate their own teams at all levels to ensure works are being carried out in an efficient and high quality manner, and that efforts to coordinate wherever possible are being made.

[1] Further information on NJUG can be found at the end of this consultation response.

NJUG

Within the consultation paper, there is reference to a claim that while some utilities already voluntarily co-operate with council scrutiny reviews, this is not always the case and others often have to be persuaded or 'shamed' into attending meetings or assisting with reviews. In the spirit of partnership, NJUG would always encourage its members to cooperate fully with local authority reviews, since only by working together can we improve the standard of delivery of all works. Utilities and their contractors only ever excavate in the road for essential reasons and as a last resort. As a result, there is no reason why a utility or contractor should hesitate to co-operate fully with a local authority review.

However, we would argue that the utility industry already engages with politicians, councillors and other local stakeholders to a great extent, and that we are already held to account for our actions. For example, one UK utility contacted over 50 MPs and councillors, responded to over 600 letters from MPs, and met a significant number of Government Ministers and Opposition spokespeople in 2008. Many Chief Executives already host meetings with their opposite numbers at local authorities, and all utilities are accountable to their shareholders and boards, so an established network of corporate governance already exists and hence we feel there is no need to "fix something that is not broken".

The utility industry is subject to extensive regulation by numerous regulatory authorities and hence any recommendations from scrutiny committees must take account of the constraints imposed by such legal and regulatory frameworks.

NJUG has concerns with Government broadening the number of bodies that can be subject to scrutiny committees, as such processes may not recognise the intricacies and dynamics of the new areas they investigate. There is no place within the UK economy for bodies that restrict the supply (and thus demand by choice) of services in a free, competitive market place when they are not answerable to customers, shareholders and companies for promoting restrictive practices. These could be a demand for more or less services entirely detached from the commercial/economic circumstances of private companies. No scrutiny committee can have any true representative value for the ratepayers and voters in any one local government authority. For instance, as already highlighted, local authorities are responsible for half of all works in the highway, something which local authority scrutiny committees will need to be aware of when investigating delays on the road network as a result of works; both local authority and utility representatives should be called at operational level to give evidence. Similarly, scrutiny committees must be aware of key facts, such as the issue that local authorities are responsible under law for works co-ordination and utilities are responsible for co-ordinating fully with such efforts.

Equally, scrutiny bodies must always hold a balanced perspective. While some works can result in unfortunate disruption to the public, utilities in return are ensuring the safe and secure delivery of essential water, electricity, gas and telecommunication apparatus. Finally, in launching the consultation, I understand John Denham, Secretary of State for Communities & Local Government, has suggested that Chief Executives might be required to appear before the local scrutiny committees themselves. Whilst this occasionally may be desirable, I would encourage committee members to consider taking evidence from senior, middle management and operational representatives, who would be in a better position to offer the required expertise to the relevant issue or problem.

It must also be remembered that the success of UK plc is reliant on private capital and whilst some scrutiny may be desirable there has to be a balanced view that recognises that there are many competing areas for private capital investment some of which may be more favourable than others. We do not wish these proposals to put at jeopardy the considerable investment required to replace the UK's aging Infrastructure.

If you have any queries, or would be interested in meeting to discuss any of the points made within this consultation response, please do not hesitate to get in contact.

Yours sincerely,

Les Guest
CEO
National Joint Utilities Group Ltd

Cc Richard Buckley, Head of Traffic Management Division, Department for Transport

Information on the National Joint Utilities Group Ltd

The National Joint Utilities Group Ltd (NJUG) is the UK trade association representing utilities and their contractors on street work issues. Further information can be found at www.njug.org.uk.

NJUG's current members are Energy Networks Association (representing electricity and gas), Water UK (representing all water and wastewater companies), National Grid, Openreach, and Virgin Media. Our associate members are Clancy Docwra, Skanska, 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-seven utility companies and twelve utility contractors.

NJUG is also the utility-arm of the UK Highways and Utilities Committee – HAUC(UK) – working collaboratively with local authorities in England, Scotland Wales and Northern Ireland to better the standards of road and street works. Further information can be found at www.hauc-uk.org.uk.

NJUG's *Vision for Street Works* can be viewed at http://www.njug.org.uk/uploads/NJUG_dl_May09.pdf.