

Reducing Disruption from Utilities' Street Works

Consultation Document



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October 1999

Department of the Environment, Transport and the Regions

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CHAPTER 1

Introduction

The White Paper Commitment

- 1.1 Utility companies, including gas, water, electricity, telecommunications and cable companies, and some others, have statutory rights to place their equipment in roads. From time to time they need to dig up the road to install, repair or replace their equipment. These street works can cause delay and inconvenience to traffic and pedestrians.
- 1.2 The Transport White Paper, “A New Deal for Transport – Better for Everyone” (Cm 3950) says at paragraph 3.104:

“We wish to reduce the impact on traffic and pedestrians caused by street works for utility companies. We will consult on options for an incentive system, with penalties, to minimise disruption to all road users, and to encourage improved co-ordination of street works.”
- 1.3 This paper fulfils the commitment to consult. It covers England only.

The Problem

- 1.4 The New Roads and Street Works Act 1991 introduced a new system of managing utilities’ street works, intended to reduce disruption from them. It came into effect in 1993. There were new powers for highway authorities to co-ordinate works, backed by new requirements for the utilities to give advance notice and to co-operate with the highway authorities and each other.
- 1.5 There is no systematic evidence to say whether the problem has got better or worse since 1993. It is certainly the case that pressure has increased both from numbers of street works and from levels of traffic. And there is continuing concern among road users and others affected by these works. The problem affects not only vehicular traffic when road capacity is reduced by works in the carriageway. It also affects pedestrians when footways are dug up and, at times, they have to use part of the carriageway.

The Government’s Approach

- 1.6 The Government does not intend, at this stage, to introduce major new legislation on this subject. But it wants to see the powers in the existing legislation used fully where they can be effective.

- 1.7 One power so far unused is the provision in Section 74 of the Act to introduce a form of lane rental for utilities' street works. Lane rental is well established in maintenance contracts. Although the approach under Section 74 differs in a number of respects, the concept of charging for works that occupy the road for longer than an agreed period is the same.
- 1.8 The first question for consultation is whether the Section 74 power should now be used. The Government's present view is that it should, provided it can be done in a way that is both effective in reducing disruption and practicable to operate. Most of Section 2 of this consultation document is about how this might be done.
- 1.9 In addition, the Government will be glad to consider any proposals which may be put forward for reducing disruption by the more effective use of the Act. Such proposals may involve changes to Regulations and Codes of Practice under the Act.
- 1.10 The Government is also open to suggestions and views on measures beyond the scope of the Act that would improve street works. One option outlined in Section 3 of this paper is a more extensive lane rental approach, but there may be other ideas. Any option requiring primary legislation is likely to be long term because of constraints on the Government's legislative programme.
- 1.11 The Government does not wish to impose unnecessary burdens on businesses and any option that were to be taken forward would be subject to a Regulatory Impact Assessment (RIA). A draft RIA is at Annex A. Comments are invited on this draft RIA. Many of the effects of the options are difficult to quantify at this stage; in part they will depend on the design of any scheme. But part of this consultation seeks views and information on the costs and benefits of options, which will help prepare a more detailed RIA.

CHAPTER 2

Options within Existing Legislation

Charging Utilities for Over-Staying – Section 74 Scheme

Outline of a scheme for charging utilities for over-staying

- standard daily rate for taking longer than agreed time;
- higher rate for London;
- higher rate for traffic sensitive streets;
- exemptions for short works on non-sensitive streets to reduce administration;
- same rate for footways as for carriageways;
- authorities to keep revenue to run the system;
- review after three years.

The Provisions of the 1991 Act

- 2.1 Section 74 of the New Roads and Street Works Act 1991 gives the Secretary of State a power to make provision by regulations requiring an undertaker executing works in a maintainable highway (which includes the footway) to pay a charge to the highway authority where
- a) the duration of the works exceeds such period as may be prescribed; and
 - b) the works are not completed within a reasonable period.
- 2.2 The regulations may state the rate or rates of charge and/or the method of their calculation. The charges may take account of the length of time taken by the works, their physical extent, the place and time at which they are executed, and any other relevant factors.
- 2.3 The undertaker has to give notice of the expected duration of the works. (This is actually a requirement of regulations already made under Sections 54, 55 and 57 of the Act.) The expected duration would be deemed to be reasonable for the purposes of this section unless the highway authority gave notice to the contrary in a particular case. The highway authority and the undertaker would then have to see if they could agree on a reasonable period for the works in question. In default of such agreement, the highway authority's view would prevail until the matter was settled by arbitration.

- 2.4 There is a provision for the agreed, or settled, period to be extended if appropriate in the light of unforeseen circumstances.
- 2.5 The highway authority would have the discretion to waive or reduce charges which were due, as well as deciding whether or not to utilise the powers at all.
- 2.6 The first regulations under this section would need to be approved by affirmative resolution of both Houses of Parliament. Subsequent regulations would be subject to the simpler "negative resolution" procedure.

Possible Effects

- 2.7 The Government believes that such a scheme could make a difference. At present, the utilities have to give estimated start and finish dates for their works. But there is no sanction against failure to finish on time, except prosecution under Section 66 of the Act for unnecessary delay or obstruction, which is definitely a weapon of last resort.
- 2.8 If a charging system were introduced, the highway authorities would rapidly gain detailed information of the time normally taken for different types of works and would be able to challenge any estimates which seemed grossly inflated. And, in any case, having made an estimate, the utility would need to keep an eye on the time taken so as to know when to ask for an extension if one were needed, or face paying the charge. This would be an administrative burden on the utilities, quite apart from any charges levied, but one which might well be justified as a spur to better performance.
- 2.9 In addition, the Government believes that the present system may give the utilities a perverse incentive to start on site within the terms of their notices even if they are not ready to start work. The effect may be to leave the site unoccupied but fenced off for several days until work starts. This problem should be reduced by a charging system in which the free period would run from the start of the works. If the utility was not in a position to make a proper start in the time allowed by the notice, it would have an incentive to issue a new notice with a new start date, rather than to occupy the site unnecessarily.

Design of a Scheme

- 2.10 *Relating the charge to the physical extent of the works.* It would be possible to charge works by reference to the area which they occupy (so much per square metre) or by reference to the length or breadth of the site (so much per metre in either case). The Government believes that such charges would be unnecessarily precise, and unduly cumbersome to operate. On the other hand, a single rate of charge, irrespective of the size of the works, would not be sensitive enough. This problem has already been addressed in relation to fees for inspections under the Act, where the regulations define "units of inspection" (see Annex B for details). These provide for up to five or sometimes ten small excavations to be combined (subject to certain conditions), and long ones to be sub-divided into 200m lengths, for the purposes of inspection. The Government is minded to use these same units as the basis for charging but seeks views on this. If these units are not appropriate, what would respondents suggest instead?

- 2.11 For ease of terminology, the rest of this section will refer to “works” as the basis of charges. It will leave open the question of whether the definition of “works” might be modified to mean units of inspection or anything else.
- 2.12 Other possible refinements would include the following:
- imposing a charge per traffic lane blocked or partly blocked, taking the footway as a traffic lane for this purpose;
 - imposing a lower rate of charge for works confined to the footway or the carriageway than for works straddling both;
 - imposing a lower rate of charge for works in the footway than for works in the carriageway.
- 2.13 The Government is not attracted to any of these because it wants to see works planned and carried out in the way that makes the best sense overall, and it believes that differential charges could distort decisions in undesirable ways. The Government will however welcome views on this issue.
- 2.14 *Time.* The Government believes that charges should be imposed on a daily basis, starting with the day following the last day of the “reasonable period” and applying for each day or part of a day of occupation thereafter. This would not allow refinements such as a differential rate of charge for busy times of day. It would however allow certain days (for example, any or all of Saturday, Sunday, and Bank Holidays) to be excluded from the calculation if that were wanted. The Government will welcome views on this approach.
- 2.15 *Different types of street.* It would be reasonable for the charge to take account of the fact that the same works will cause far more disruption in some streets than in others. The Act already distinguishes between “traffic sensitive” streets and others, and the Government proposes that the same distinction should be made in the charging system.
- 2.16 Streets may be designated as traffic sensitive in respect of the footway, the carriageway or both, and for specified days and times. The Government proposes that the higher rate of charge for traffic sensitive streets should apply for any day when any part of the area covered by the works is designated traffic-sensitive for any length of time, but it would welcome comments, particularly on the practicalities of this approach.
- 2.17 It would be possible to make other distinctions for example:
- classification (A, B, C, unclassified);
 - width (number of lanes, single or dual carriageway);
 - speed limit;
 - urban or rural;
 - traffic characteristics (flow, composition);
 - bus route.

- 2.18 Taken to extremes, incorporating factors such as the above could make calculating charges time consuming and needing much data. It is possible that some simplification into broad categories might be possible. But the Government is not persuaded that any of these would be justified given that "traffic sensitivity" is intended to reflect a street's importance. It will however be grateful for views on all of this.
- 2.19 The Government intends to promote legislation to enable local authorities to introduce road user charging into areas which those authorities would designate. Provision is included in the Greater London Authority (GLA) Bill for the Mayor and London Boroughs to exercise such powers. In December 1998 the Government published a consultation document "Breaking the Log Jam" seeking views on how such a charging system might work and is now considering the responses.
- 2.20 It is arguable that, in areas subject to road user charging, it would be appropriate to treat many more roads providing local traffic functions as if they were "traffic sensitive", at least for the purpose of charging for excessively prolonged occupation, and possibly for other purposes, such as notice periods, as well. It would be for highway authorities to define traffic sensitivity – in London, the Boroughs and Transport for London would have to do this in the context of the Mayor's transport strategy. The Government will be grateful for views on these points.
- 2.21 *Prescribed period.* It would be possible for the regulations to prescribe a period, for example a week, during which no charges would be payable even if the reasonable period were exceeded. The point here is that the vast majority of works take less than a week, so there could be considerable administrative savings if they were excluded from the system.
- 2.22 The Government's provisional view is that a prescribed period of a week would be sensible for non-traffic-sensitive streets, even though in that case the utilities would not be charged for works which took, for example, five days when they should only have taken three.
- 2.23 However, for traffic sensitive streets, in the example just given, the difference between three days and five days could be highly significant. The Government therefore proposes that there should be no prescribed period for traffic sensitive streets, so charges would apply from the first day after the end of the reasonable period, however short that was.
- 2.24 The Government will welcome views on this approach, and in particular whether it will achieve the desired administrative savings, while still encouraging the timely completion of works. Is a week the right prescribed period for non traffic sensitive streets? Should there be a prescribed period for work in traffic-sensitive streets as well, and if so, what should it be?
- 2.25 *Regional variations.* It would be possible to prescribe different rates of charge for different geographical areas. The Government is not at present minded to do this for areas outside London but considers that higher rates will be appropriate for London, and welcomes views.
- 2.26 *Scale of charges.* The charges should be reasonable in relation to the disruption caused. Bearing in mind that they will apply only in case of excessively prolonged occupation of road space, the Government proposes the following levels for each work:

- in traffic-sensitive streets: £500 per day
 - in other streets: £100 per day
- 2.27 In London, higher figures (perhaps double those elsewhere) might be needed to reflect the severity of street works' impact there. It would be in keeping with the Government proposals for London for the Mayor to have the key role in deciding the appropriate level of charge.
- 2.28 The Government will be grateful for views on these figures. Are they large enough to induce a reduction in disruption?

Use of Proceeds

- 2.29 The New Roads and Street Works Act 1991 says that payment for unduly prolonged occupation of the highway is to be made to the highway authority. The question arises as to whether the highway authority should be able to keep the payment, or whether it should pass to central Government. Some highway authorities may consider it worthwhile taking up Section 74 powers, with or without their costs being covered from charges, because of the benefits to users of their roads. Being able to keep the charges would provide an added incentive to authorities, though it is true that if the proposals have the desired effect of keeping over-runs to a minimum, the proceeds may be small.
- 2.30 The Government recognises that there are circumstances under which it may be appropriate for charges and penalties to be retained by the body imposing them to offset the cost of administering the system concerned. Treasury guidelines indicate that a system should: improve performance against policy objectives; avoid the use of such charges being distorted by their being seen as a money raising opportunity; identify the costs without undue bureaucracy; operate efficiently; and expect any surplus revenue to be paid to central Government. In the case of Section 74 of the Act there is no power for local highway authorities to effect such a payment, but in any event the sums involved are not expected to be large. In these circumstances the Government would be prepared to start the scheme on the basis that authorities would be able to keep all the money from charges.
- 2.31 To provide assurance that highway authorities were exercising these powers in a way that was consistent with the principles of the Treasury guidance, the Government would require authorities to keep a separate account for the costs of, and receipts from, the system. This would allow authorities to show that they were operating the system efficiently. There would be a review after three years. If this showed that excessive surpluses were being made by authorities, the Government would legislate to require these to be paid into central funds. The Government invites views on this approach to demonstrate that the criteria in the Treasury's guidelines are being met, including the practicalities of operating a separate account.

Other Issues Arising from Section 74 Proposals

(A) EMERGENCY WORKS

- 2.32 Emergency works are exempt from the advance notice regime but a notice, including an estimate of how long the works will take, has to be issued within two hours of their starting. It may be suggested that emergency works should be exempt from any charge. However, what starts as an emergency work may develop into a major repair job. The Government sees no reason why emergency works should be exempt from charges for unduly prolonged occupation of the highway. Works which are started and finished the same day will in any case be exempt from charges under the proposals above and the Government is inclined to think that this, together with the provision for the original period to be extended in the light of unforeseen circumstances (see para 2.4), will give adequate protection to emergency works. But it will be grateful for views on this.

(B) IMPLICATIONS FOR NOTICES

- 2.33 At present, the prescribed form of notice requires the utility to state the starting date and the expected duration of the works. But the starting date is the earliest starting date: the notice is valid for a start up to seven working days after that.
- 2.34 It would seem sensible for the "reasonable period" to run from the actual start of the works, not necessarily the earliest starting date specified in the notice. But this would place a new requirement on the utility to inform the highway authority of the actual starting date of the works.
- 2.35 In addition, it may be desirable to give further consideration to the circumstances in which a notice is updated, and those in which a new notice is given.
- 2.36 The recently introduced Electronic Transfer of Notices should make handling additional notices easier but the Government will be grateful for views on these issues, with particular regard to the practicalities.

(C) DAILY WHEREABOUTS LISTS

- 2.37 The Daily Whereabouts List is a list of the following day's works, including works which are too small to require any other formal notice. This list has no value in relation to co-ordination of works. The idea is to help the highway authority to plan its sample inspections of works in progress. A separate consultation is planned on possible changes to the inspections regime but, with the additional information that a Section 74 scheme might generate, the need for a separate list might be diminished.
- 2.38 The Government has no wish to maintain burdens on the utilities or anyone else if they are no longer necessary. The Government will be grateful for views on the need for utilities to produce a daily whereabouts list if a Section 74 scheme were to be introduced.

(D) SKIPS AND SCAFFOLDING

- 2.39 The New Roads and Street Works Act 1991 contains in Schedule 8 provisions amending the Highways Act 1980, whereby the charges for excessively prolonged occupation of the highway could be applied not only to street works but also to skips and scaffolding placed in the highway under licence. The Government proposes that, if the Section 74 provisions are activated, the provision relating to skips and scaffolding should be activated in the same way .

Costs and Benefits

- 2.40 The Government will want to be satisfied that the costs of operating any system will be commensurate with the benefits derived from it. To that end the Government invites utilities and authorities in particular to indicate the costs that would be involved in operating a system under Section 74 of the Act, and the benefits likely to be derived.
- 2.41 The Government is also interested to assess the interest among authorities for taking such powers, were they to be available. Authorities are therefore asked to indicate their likely intentions and, if appropriate, the factors which would influence their decision.

Other Options within the 1991 Act

- 2.42 As mentioned in para 1.9 the Government is open to proposals for other ways of reducing disruption by the more effective use of the Act.

CHAPTER 3

Options Requiring New Powers

Charging Utilities From Start of Works – Full Lane Rental Scheme

Outline of a scheme for charging utilities from start of works

- daily rate charged from first day on site;
- possible higher charges for London and traffic sensitive streets;
- possible exemptions for short works;
- possible variation in charges for extent and location of works;
- revenue to be used to run the system with surpluses paid into central funds.

Principles of a Scheme

- 3.1 It has been argued that utilities should pay for occupying the carriageway or footway when they carry out street works, reflecting the impact that these works have on road users. Parallels are sometimes drawn with Government's plans to introduce legislation to allow road user charging in congested areas. Unlike any scheme under Section 74 of the 1991 Act, a full lane rental option would charge utilities from the first day of the works.
- 3.2 If utilities are to be charged for any occupation of the carriageway, then it might be reasonable for those charges to reflect more closely the impact on road users than charges under the Section 74 proposals described previously. Would the limited discrimination between traffic sensitive and non-sensitive streets, and between London and elsewhere, and the use of units of inspection as the unit of charging, be sufficiently sensitive to at least approximate to the different impacts? A more detailed categorisation such as those described (but dismissed) in Section 2 above might be possible – for example, class of road and number of lanes affected. But would such refinements be worth the additional effort involved in determining charges? The Section 74 proposal would exclude short works on non-sensitive streets, thus excluding many works from consideration. This would simplify any system, but would it still be applicable for a full lane rental option? Views are invited on both the principle of charging from the first day of works and on what kind of charging regime (ie. basis and rate of charge, variations, exceptions etc) would be appropriate.

Use of Proceeds

- 3.3 The same general issues for dealing with proceeds, including any surpluses, apply as for a Section 74 scheme. However, a full lane rental scheme would generate more revenue than one under Section 74. This may encourage more highway authorities to take up the powers as they would be more confident of their ability to cover the costs of running the scheme. But to fully comply with the Treasury guidelines for charging system such as these (see para 2.30), any surpluses, which could now be substantial, should be paid to central funds. As new legislation would, in any event, be needed for a full lane rental scheme, the transfer of surpluses to central funds could be provided from the start. The Government seeks views on authorities' likely interest in operating such a scheme and the factors that would influence their view .
- 3.4 If surpluses were to be surrendered, would a separate account be the best way of identifying these? It might be simpler for authorities to keep a fixed proportion of payments based on estimates of averages. The Government invites views on these (or any other) means of ensuring that the criteria in the Treasury guidelines would be met and for handling surpluses without undue bureaucracy .

Possible Effects

- 3.5 By charging from the first day of works, utilities would have an incentive to occupy the road for the minimum amount of time. It would, however, be important that other elements of the 1991 Act's Regulations and Codes of Practice did not suffer as a result of works being rushed. For example, a hasty reinstatement that later failed and had to be re-done would be in no-one's interests.
- 3.6 The scheme would remove any argument about what is a "reasonable" period of time for carrying out any piece of work. It would also encourage improvement in the submitting of notices. There would be more incentive for utilities to make sure that the highway authority have correct information about their works.
- 3.7 For the utilities, however, it would remove their current free access to their equipment. Unlike the Section 74 proposals, where they would incur no costs if they performed to time, utilities would have to pay on all occasions, subject to any prescribed exemptions, such as for short works.

Other Options

- 3.8 It is possible that, with new powers, there may be other ways of reducing the disruption from street works. The Government would be open to views. Particular regard is needed to the practicability of operating any new powers, given the very large number of street works carried out every year. It would be important not to create an overly bureaucratic system.

CHAPTER 4

Invitation to Comment

4.1 The issues on which views are particularly sought are:

General

- (a) should the Section 74 power of the New Roads and Street Works Act 1991 now be used? (para 1.8);
- (b) are there any other proposals for reducing disruption by the more effective use of the Act? (paras 1.9 & 2.42);
- (c) are there measures outside existing legislation that would help reduce disruption? (paras 1.10 and 3.8);
- (d) comments are invited on the draft Regulatory Impact Assessment (para 1.11);

Details of Section 74 Scheme

- (e) are the “Units of Inspection” used for inspection fees an appropriate basis for charging? If not, what would be appropriate? (para 2.10);
- (f) should charges distinguish between the location of the works in the street (paras 2.12 – 2.13), or parts of the day (para 2.14), or different types of street other than for traffic sensitivity? (paras 2.15 – 2.18);
- (g) should more roads in areas designated for road user charging be treated as traffic sensitive? (paras 2.19 – 2.20);
- (h) how long should the prescribed period be for non-traffic sensitive and other streets? (paras 2.21 – 2.22);
- (i) should there be a prescribed period for traffic-sensitive streets and, if so, how long should it be? (paras 2.23 – 2.24);
- (j) should there be higher charges in London and should there be any other regional or local variations in the charges? (para 2.25);
- (k) is the proposed scale of charges for traffic sensitive and other streets reasonable? If not what should they be? (paras 2.26 – 2.28);
- (l) what role should the Mayor play in determining them in London? (para 2.27);

- (m) would keeping a separate account for costs and receipts from the system be practicable and a way of demonstrating that the main criteria in the Treasury's guidelines were being met (para 2.31);
- (n) do the proposals provide adequate protection for emergency works? (para 2.32);
- (o) should the "reasonable period" run from the start of works rather than the earliest starting date specified in the notice? What implications might this have, including for notices that are updated or new notices given? (para 2.33 – 2.36);
- (p) would there still be a need for utilities to produce a daily whereabouts list? (para 2.38);
- (q) should the provisions in the Act relating to skips and scaffolding also be activated in the same way? (para 2.39);
- (r) what would be the costs and benefits of operating a scheme, such as that outlined, under Section 74? (para 2.40);
- (s) would highway authorities operate a Section 74 scheme? What factors would influence that decision? (para 2.41);

Principles of a Full Lane Rental Scheme

- (t) in what circumstances, if any, might a full lane rental scheme (charging from first day of works) be justified? (para 3.2);
- (u) if so, on what basis should charges be applied? (para 3.2 – see also questions e – k);
- (v) would highway authorities operate a scheme charging from day one? What factors would influence that decision? (para 3.3);
- (w) what accounting mechanisms would be appropriate for ensuring that the netting off criteria could be met and surpluses identified? (para 3.4);

4.2 Comments are invited on the proposals and questions set out in the consultation paper.

Please send your comments on these issues, no later than 31 January 2000 to:

Mr P J Negus
 Department of the Environment, Transport and the Regions
 Traffic Management and Tolls Division
 Zone 3/15, Great Minster House
 76 Marsham Street
 LONDON SW1P 4DR (Tel: 0171 676 2486)

4.3 The Department may publish comments on the results of this consultation unless the originator includes a specific request to the contrary and it may in any case include them anonymously in statistical analysis.

ANNEX A

Draft Regulatory Impact Assessment (October 1999)

1. Reducing Disruption from Utilities Street Works

Options for improving the operation of utilities' street works by charging utilities under Section 74 of the New Roads and Street Works Act 1991 for over running of agreed time or for new legislation to charge utilities from start of works or by other means. And with the Section 74 option, the possibility of similarly charging for over staying of skips and scaffolding.

2. Purpose and Intended Effect

(A) THE ISSUE AND OBJECTIVE

Issue: There have been long standing concerns about the disruption, delay and inconvenience caused to traffic and pedestrians by utilities street works carried out under the provisions of the New Roads and Street Works Act 1991. The 1998 Transport White Paper included a commitment to consult on options, with penalties, for reducing this disruption. Similar concerns extend to deposit of skips and scaffolding on the highway.

Objective: The intention is to reduce the time utilities unnecessarily occupy road space in carrying out their works on, or adjacent to, the highway; similarly scaffolding and skips.

(B) RISK ASSESSMENT

Not applicable

3. Options

(A) OPTIONS IDENTIFIED

The first option is to continue to rely on present controls in New Roads and Street Works Act 1991;

Two options are specifically identified in the consultation document:

- an option to introduce charging for utilities under Section 74 of New Roads and Street Works Act 1991 for over run of agreed time, and possibly also for skips and scaffolding;
- an option requiring new legislation to charge utilities from start of works.

The consultation also invites suggestions for other ways of improving street works operation, including through the 1991 Act or new legislation.

(B) ISSUES OF EQUITY AND FAIRNESS

Most of the organisations affected are substantial bodies – utility companies and highway authorities. Other organisations and individuals, which are not utilities, can apply for licences to carry out particular works in the highway, for example, a farmer running a drain under a road. Whether these would be affected would depend on the way any scheme was defined. Under the Section 74 option, efficient utilities that did not occupy the highway unnecessarily would incur no charge.

4. Benefits

(A) IDENTIFY THE BENEFITS

Street works inevitably cause some disruption to traffic and pedestrians where the carriageway is reduced or the footway taken over by the works. This can lead to congestion and delay or longer journeys for traffic, additional pollution where congestion is made worse and inconvenience to pedestrians. The aim of these options is to reduce unnecessary occupation of the road and footway and thereby reduce the adverse effects described.

(B) QUANTIFYING AND VALUING THE BENEFITS

These are not quantifiable at this stage but they include reduced delays to all road users. This would benefit commercial and business traffic as well as other traffic and pedestrians. Reductions in pollution will benefit people living working or travelling in the areas affected. One of the purposes of the consultation exercise is to identify, as far as possible, the costs and benefits of operating any system of charging utilities and to make recommendations on the basis of these findings.

5. Compliance costs for Business, Charities and Voluntary Organisations

(A) BUSINESS SECTORS AFFECTED

Utility companies and their contractors, scaffolding/building companies and skip suppliers could be affected. There will be no impact on charities or voluntary organisations.

(B) COMPLIANCE COSTS FOR A "TYPICAL" BUSINESS

These are not quantifiable at the current time but it is clear that the option to implement Section 74 of New Roads and Street Works Act 1991 (charges for overstaying) could involve lower costs to utilities than the option to introduce charges from the first day of occupation of the highway. This would depend on the level of charges set for these options but under the Section 74 option, efficient utilities which did not overrun their agreed times would incur no charges. It is possible that those utilities which did incur charges would pass them on to their customers. Similarly in the case of scaffolding and skips.

Highway authorities would probably incur some additional costs in monitoring utilities performance. This would depend on what enhancements are required to the existing systems used for the 1991 Act.

There would be no compulsion for local authorities to make use of the powers to charge. This will make the costs difficult to estimate.

6. Consultation with small business

There will be wide consultation on these options which will include small businesses where they would be affected.

7. Other costs

In the case of skips, the imposition of charges could encourage unregulated fly tipping and deposit of skips without licences, though, under the section 74 option efficient operators would not incur charges if they did not over-stay.

8. Results of consultations

9. Summary and recommendations

10. Enforcement, Sanctions, Monitoring and Review

Not applicable at this stage. Proposal is to go out to consultation on the options .

ANNEX B

Extract from “THE STREET WORKS (INSPECTION FEES) REGULATIONS 1992” relating to the definition of units of inspections used as the basis for charging inspection fees.

Clause 3 (3) For the purposes of this regulation, a unit of inspection is:-

- (a) a single excavation not exceeding 200 metres in length;
- (b) more than one and not more than 5 excavations and, in the case of works relating to service pipes and service lines, not more than 10 excavations, provided that:
 - (i) all the excavations are the subject of one notice of starting date; and
 - (ii) all the excavations are made within a period of 10 working days; and
 - (iii) each excavation is within 500 metres of every other excavation; and
 - (iv) the aggregate length of all the excavations does not exceed 200 metres within the length of that excavation or the balance of such length.
- (c) in the case of an excavation longer than 200 metres each length of 200 metres within the length of that excavation or the balance of such length.